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West Europe Report

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1 October 1985

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POLITICAL

EUROPEAN AFFAIRS

SPD SPOKESMAN HEDGES ON FRANCO-GERMAN SECURITY PROPOSALS

Bonn DIE NEUE GESELLSCHAFT/FRANKFURTER HEFTE in German Aug 85 pp 732-736

[Article by Dr Hermann Scheer: "Prospects and Hurdles of a German-French Security Cooperation"]

[Text] Dr Hermann Scheer, born in 1944 and a member of the German Bundestag since 1980, is spokesman of the working group Disarmament and Arms Control of the SPD parliamentary group. Among other things, he has published: "Die Gegenreform" [The Counterreform] (1975) and "Parteien kontra Buerger. Die Zukunft der Parteiendemokratie" [Parties Contra Citizens. The Future of Party Democracy] (1979).

The speech of Jacques Huntzinger, foreign-policy secretary of the French socialists, at the conference of the SI [Socialists International] member parties of the European NATO countries in Lisbon in March of this year (NEUE GESELLSCHAFT/FRANKFURTER HEFTE, May 1985, pp 398-404) was received very positively in the SPD. This contribution is seen as a clear signal that French socialists are now prepared, in their role of government responsibility as well, gradually to Europeanize their security doctrine. For some time now, the PS has been moving in a direction in which the task of the French nuclear deterrence is to be expanded--from the defense of French territory ("sanctuary") alone to a larger sanctuary that includes the FRG. This would have consequences for French nuclear arms as well as for conventional arms.

French socialists have thus joined an internal French discussion that led as early as last year to the publication of a new security concept of the Giscardists, which likewise seeks to assign European duties to the nuclear force. According to the concept of the UDF (Gaullists), the first stage of such a European deterrence is to be in the territory of the FRG. A recently released book by the strategy author Pierre Lellouche also calls for viewing France's nuclear deterrence under a European sign, letting it begin "on the Elbe." After years of isolation of French security policy, which has moved only in a national frame of reference since de Gaulle's establishment of the Force de Frappe and France's withdrawal from the military integration of NATO, the chance is now looming for the realization of a joint West European security policy.

Fundamentally, this trend must be especially welcome to a party such as the SPD, which wants to advance Europe's own assertiveness. This involves not least a politically strong European pillar in NATO so that it will no longer be subjected to American shifts of strategy and interests, unreasonable demands, and patronizing. The main precondition for such a Europeanization is French willingness to think European in security policy as well. But since this alone cannot mean that all French proposals now being expressed in this connection are capable of producing a consensus or correspond to our own ideas merely because they are moving toward a European concept, an open and constructive German-French discussion is necessary. This is served by the following considerations that attempt to assess the current French discussion and seek to provide some preliminary answers.

I.

The new French discussion picks up on a debate that was already held in the 1970's. The fact that the autonomy of French nuclear deterrence was based upon the existence of the rest of NATO and thus was indirectly dependent upon it was already a component of self-critical French discussion after the withdrawal from the NATO integration. And since, moreover, the technical arms developments of the superpowers make it clear that nuclear armament on French shoulders alone must lead to an excessive financial burden, a discussion began in France no later than the mid-1970's that was aimed at a reassessment of security philosophy. Giscard d'Estaing, president of state from 1974 through 1981, indicated several times the possibility of an extended sanctuary. In 1976, the then General Chief of Staff Mery spoke of a French participation in forward defense on German soil and thus subjected himself to the vehement attacks of the KPF, which protested against the French Army becoming a "vanguard of the Bundeswehr." In 1979, the French nuclear strategist Gen Georges Buis called for the association of the French nuclear force with German industry so that the Force de Frappe would remain capable of development.

During these years, the French debate on nuclear strategy has been accompanied by the question of whether the focal point of the nuclear-deterrence force should be strategic nuclear weapons or nuclear battlefield weapons including the new neutron weapons. Those who wished to put the emphasis on strategic nuclear weapons tended toward the development of "weapons with a survival capability," that is, submarine weapons. This was also to reduce the territorial risk of self-destruction for France. Those who wanted to put the emphasis on tactical nuclear weapons justified this by saying that France would be overextending itself to the point of self-destruction if it wished to involve itself in a strategic nuclear conflict. To counter the same charge with respect to a development of tactical nuclear weapons, they tended toward the construction of a "nuclear Maginot Line," according to Marc Geneste in the magazine DEFENSE NATIONALE in 1979. It is obvious that the more the territory of the FRG would be available as a barrier zone, the more such a line would correspond to French interests in self-preservation. France did not carry out such a development, because this would have led directly to a German demand--difficult to refuse--for participation in target selection and operational planning, which, in turn, collided with the autonomous security policy.

II.

When the socialists came to power, they interrupted this discussion, but they did so in a manner quite different from what they had led one to expect. While still in the election campaign, they came forward with a program platform criticizing the one-sided defense policy committed to its own armament. The principle charge was that French security policy lacked a disarmament dimension. In 1977, Mitterrand had published a fundamental article in LE MONDE with the title "A Strategy for Disarmament." In this article, he called for an internationally coordinated initiative of the European countries for specific steps toward disarmament, for only in that way could the danger of the devastation of Europe resulting from modern weapons developments be eliminated. After the French socialists came to power, there was little to be seen of such an initiative.

On the contrary, they discovered--as Huntzinger wrote in DEFENSE NATIONALE in 1982--deterrence and thus the priority of nuclear armament. The motives for this certainly do not primarily involve internal politics--a lack of courage against the Gaullist and Giscardist opposition, for example. For the French socialists adhered to the autonomous security policy right up to 1984, when the opposition parties had already resumed the discussion of a Europeanization of French security policy. More important for the adoption of the philosophy of nuclear deterrence were probably such external events as the Soviet intervention in Afghanistan and the Soviet pressure on Poland at the beginning of the 1980's, which--in conjunction with the discussion about the SS-20--aroused an anticommunist security hysteria in the French Left that could be understood only with the background of the historical French nightmare that they might again, as in 1939, be defenseless at the mercy of a totalitarian aggressor. Since it is unimaginable with the current constellations that an adequate defense against the Soviet Union could be possible with conventional weapons, it was precisely the antitotalitarian French Left that again turned to nuclear weapons, thereby in part unexpectedly finding themselves in the camp of the reactionary Western adherents of more armament.

What is now taking place in the discussion in the direction of a Europeanized doctrine is reaching the socialists later than the large opposition parties and is following up on the internal French debate of the 1970's. So it is not as new as many now suppose.

III.

A Europeanization of the French security philosophy is indispensable for any alternative security policy that seeks to remove the clamp of the two superpowers from the European states. With the readiness for such a change of thinking and for an active sharing of responsibility in security policy, it may be that France is now taking the most important step. Since--with the background of their still-valid autonomous security philosophy--this requires a great deal of psychological self-conquest on the part of the French, such a step can by no means be taken for granted, even though there is no rational alternative. This is probably also the reason why many of the reactions to the more recent French proposals seem quite uncritical and give the impression

that one is now prepared to adopt all implementation proposals from Paris, even if there are objections in individual cases, for the price of the Europeanization of French security policy. There is as yet no open debate on the structure of a Europeanized security policy, perhaps in the fear that the French may reconsider and pull back into their own autonomy. Precisely because we are at the beginning of a new development, however, it is more appropriate to be candid in sharing the various interests, viewpoints and assessments if congenital defects are to be avoided in the new Franco-German security policy, defects that must lead to tensions and paralysis in the medium term at the latest. For it is not just good will but primarily France's own interests that will induce it to change its ways of thinking.

IV.

Thus it is primarily the following problem areas that are disputable and must be settled in the discussion between PS and SPD, who for some time now have been the only ones carrying on a regular dialog:

--To be sure, the PS tends to be prepared to extend the shield of deterrence to the FRG as well, but as yet nothing has changed in the priority of nuclear deterrence. As before, it would then--precisely under the sign of a European set of tasks for the Force de Frappe--be necessary to work on a further technical development and improvement of the nuclear arsenal. Accordingly, France could not afford to, indeed dare not sign a treaty for a comprehensive nuclear test ban. In other words, a nuclear deterrence task of the Force de Frappe for the FRG as well also signifies that the SPD--to the extent that it shares in this concept--would have to make its demand for a test ban relative. For it would not be reasonable to expect France to act as a nuclear deterrent and, at the same time, to want to deny it the opportunity to seek to participate in the technological know-how of the nuclear superpowers at least for comparable weapons.

In contrast to the positive French assessment of the principle of nuclear deterrence, it is seen in the FRG and especially in the SPD as predominantly negative. In accordance with the decision of the party congress in Essen, the SPD wants to overcome nuclear deterrence through nuclear disarmament. The criticism of nuclear weapons in the FRG is the result of the current dangers of self destruction and dilemmas arising mainly from the presence of nuclear weapons in our territory at the disposition of another power. In principle, this problem is not changed at all, even if--what is not to be expected--someday French nuclear weapons completely replace the American nuclear weapons on FRG soil. This is also true if one sympathizes more with French than with American nuclear weapons and if one proceeds under the assumption that the neighboring country France would be more responsible than America in dealing with nuclear weapons in Europe.

The contradiction between defense with nuclear weapons and the dangers of self-destruction that always arises, especially in densely populated Europe, in the case of the failure of nuclear deterrence can only be resolved with the willingness to abandon nuclear deterrence under certain preconditions. This is a component of the current SPD discussion and must remain a central component, whereas in France, for the time being, there is hardly any sign of

this. It is therefore the task of the German-French security dialog to take up these questions even when a consensus is not yet in sight.

--The PS tends to assign French forces a task in forward defense. This could occur without including tactical nuclear weapons in the forward-defense zone. In this event, this idea would meet with our unanimous approval. It remains to be seen whether it is realistic under the existing conditions of an integration of tactical nuclear weapons into the conventional units of the French forces. Foreseeable, on the other hand, are concepts to include tactical nuclear weapons either directly in the area of forward defense in that they are also stationed in the forward-defense zone, or to include them indirectly in that the forward-defense zone becomes their target area. Both presuppose a German-French consultation in operational and target planning.

On the other hand, it must be pointed out that the discussion about a reform of the defense and arms structures in the FRG is moving in precisely the opposite direction: the spectrum of proposals ranges from a denuclearization of the forward defense line and sectors free of nuclear weapons to the removal of nuclear weapons from the territory of FRG as a whole. The reason for this is not just the increased mistrust of American ambitions for a regional limited nuclear war. The more that conventional and nuclear weapons are mixed spatially, the lower is the nuclear threshold, so that there must be a technical segregation (no weapon systems that are armed with both nuclear and conventional weapons) and a spatial disentanglement.

The willingness of France to form a deterrence zone in the FRG with its tactical nuclear weapons may be well intended. But such a development cannot correspond to our defense needs. But neither can it be ruled out that France is displacing its tactical nuclear weapons forward simply in its own interests and is justifying this with a joint security philosophy, namely to resolve the acute contradiction between armament with tactical nuclear weapons and preservation of its own territory in that precisely a nuclear Maginot Line is created in the FRG to the east of the French border. Because of the immediate existential problems that in principle all European countries with tactical nuclear weapons have, especially since their transitions to conventional weapons have become fluid, a German-French security initiative with the reciprocal recommendation of the tactical nuclear weapons that one would rather not have on his own territory would be all wrong from the outset. In contrast to the submarine-launched strategic nuclear weapons in which a consensus on a European deterrent function is much easier to achieve, tactical nuclear weapons result in problems that can hardly be solved structurally, unless the tactical nuclear weapons are questioned in principle. In any case, the foundations of a German-French cooperation are affected so seriously and fundamentally that the resulting problems must likewise be addressed at the beginning of a new development.

--A third aspect is the central question of whether a joint German-French security understanding should proceed from a priority for armament efforts or from a priority for arms control and disarmament endeavors. If a West European security policy follows the example of the United States and the Soviet Union of reacting to the steps toward armament of the other side with steps of their own instead of serious arms control initiatives, then the

danger is great that this will still worsen the international situation instead of improving it. No one, not even the Europeans themselves, is helped if an armament factor Western Europe joins the armament factors Soviet Union and United States.

But if one looks at the initiatives for a European security policy, heretofore there have been more specific proposals for a joint West European armament than for disarmament in Europe. What Mitterrand demanded from French policy in the mentioned 1977 article in LE MONDE corresponds to the expectations of the social democrats for the priorities of a Europeanized French security policy. As intensive as the French efforts for joint arms projects are, so far there has been no willingness to make an active contribution to arms control policy in Europe--a contribution to which France is especially predestined because it can have negotiating weight through its nuclear weapons. The same thing is true for Great Britain. The crucial test for whether France is truly modifying its autonomous security philosophy in favor of a Europeanization will be the question of whether it participates in arms control initiatives or develops such initiatives itself. Such initiatives would then have to go far beyond demands that French weapons also be counted in American-Soviet negotiations, which would be much too passive for a European arms control policy. An active European arms control policy means participation in negotiations with its own coordinated concepts. In the current question of protection against nuclear missiles, the priority of arms control in Europe does not mean developing a European version of SDI but working toward an agreement guaranteeing the reduction of nuclear missiles in Europe.

If, however, France were to maintain its attitude of reserve relative to a responsibility for arms control policy, then it could be supposed that its opening to a joint defense concept is motivated merely by the desire to transfer the risks of its own nuclear weapons to European neighbors. This would not be a basis for a European initiative. How far the new initiatives go and the extent to which they can be made fruitful can only be answered through a discussion that is honest and omits no problem, without thereby becoming impatient and overtaxing others.

V.

For a consensus, it is thereby necessary that everyone be willing, under reasonable preconditions, to allow previous positions to be incorporated in a new position. But what such a European position might look like does not depend merely upon the PS and SPD, or the French and German positions, but also upon the needs and possibilities of other West European nations, above all Great Britain. In another article, I will therefore attempt to discuss the problems and possibilities of a British contribution to a European security policy, as they are now being discussed by the Labour Party in particular.

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POLITICAL

BELGIUM

GOL ON FALL OF GOVERNMENT, POLITICAL REFORMS

Brussels KNACK in Dutch 24 Jul 85 pp 13-17

[Interview with Jean Gol by Frans Verleyen: "Jean Gol, according to the facts"]

[Text] In the calm following last week's storm, an interview with Jean Gol tells us the same as ever: that he has firm ideas about the state and has no intention of abandoning them for anyone or anything. A man who often quotes DeGaulle.

It is noon on Friday, 19 July, and the minister of justice (who also holds three other portfolios) might be called from his office at any moment to go push the voting button in the congressional chamber. But he has slept through the night for the first time in a while and is therefore calm, almost dreamy. No, he does not regret what has happened. That almost the entire Belgian press leaked and condemned his letter of resignation and the incidents which followed it was a foregone conclusion for Jean Gol (43), of Liege.

"The public is simply incapable of believing that any of our politicians have strong principles any longer. For years now it has been accustomed to a political class that is completely caught up in making deals. It lives in a country that got its current regionalization in exchange for a law on bird-catching, and a decision on the missiles together with a lowering of taxes. The grocery store.

"It was the foreign press, from top to bottom that has understood me. An American journalist once said to me: 'Belgian politics suffers from cynicism as well as fragility. It is rare that the two go together, but it is possible.' And on my side, I have been writing and talking about my aversion to such a Belgium for years. During the last few days I have been going through some of my old writings, and I see that I have been pleading for a dignified state for almost 15 years now. One that does not concern itself with everything and then some, but which is strong in the execution of its old, traditional tasks: security, justice, defense, national currency, diplomacy.... In defending my beliefs in this respect, I can say that I have never committed any juvenile sins. I wouldn't take back one word from all those hundreds of pages."

That Martens V will just miss the coveted date of 8 December isn't important to Gol. "The PSC [Social Christian Party] and the CVP [Christian People's

Party] would have led one another to a crisis on the side steps one way or another in the coming constitutional revision on the question of education. Technically speaking, the Catholic-Blue coalition has completed its legislative term, sat out its ride. It has been the most stable coalition in 20 years."

Gol hopes that it will be able to continue after election day (13 October), and with Nothomb on board. "I don't want to exclude the man; what I did was based on principles and not a matter of individuals. I would just like to repeat once more: for me and the PRL [Party for Reform and Liberty], Martens V was something new, something of a higher level after all the years of politicians' politics. The outcome of the Heizel debate, in which Nothomb was protected against the consequences of his political responsibility, was a crisis of conscience for me and all of the PRL. All at once everything looked just the way it had before: the scheming, the compromising on essentials, the materialistic mentality. It led to Martens' first fatal error in judgement."

[Question] But you still have "admiration and affection" for him?

[Answer] "Yes, because I believe that he has the same view of the state that I do, and he is a true arbitrator."

Views on the state. Gol (who still doesn't know for certain whether he will lead the PRL election campaign in Brussels or Liege, but a decision is close) appears to be obsessed with everything that has to do with leadership in political institutions. When he became a member of congress in November 1971 as a 29-year-old Wallonian, he could barely control his impatience. During the short-lived Social Christian-Socialist coalition government of Eyskens-Cools II (January - November 1972) the neophyte did not hide his disgust: the little, off-hand agreements on Voeren, the regionalization . . . among men who apparently didn't really believe in anything. And when the three-party government under premier Edmond Leburton was set up (26 January 1973), the RW [Walloon Rally] member Gol accused the establishment of using socio-economic arguments to hide the basis of the issue: the social question.

Jean Gol: "I still believe that today. A dignified state requires just institutions. In Belgium, as in so many other modern countries, they must be based on federalism. Even the king said, during the celebration of his 25-year reign: 'Federalize in order to unite.' Otherwise the country is just not viable. But it is always the same conservative bourgeois, the type Charles DeGaulle had such an aversion to, who would like to push aside and cover up the great political currents with talk about 'bread, work and well-being.' But they always intentionally hide the more fundamental analysis, the relationship between the concrete destiny of man and fundamental political problems. I like to quote Baron de Rothschild who told FIGARO in 1897, as the workers' struggle was being unleashed: 'I don't believe in the workers' movement. I am sure that the workers are quite content with their situation, that they have no complaints and certainly no interest in what you call socialism.' Those today who will not admit the relationship between the structure of the state and putting people to work, security and the quality of life, demonstrate the same blindness. Moreover, they lack generosity."

Concoctions

In April 1979 Wilfried Martens asked for the investiture of his first cabinet, which included both the socialists and the FDF [French-Speaking Front]. At that time Gol was drifting away from the too-leftist RW and was to become, several months later, the leader of a new group, the Party for Reform and Liberty (PRL). His discourse on "the resigned society" dates from that period: the society in which no one ever makes a decision, and in which evil nonetheless thrives: socially, economically and financially, morally. By morally he means a crisis of authority.

Jean Gol: "Call it a national life-crisis, a world economic crisis, and a general crisis of citizenship. This was facilitated for quite some time by the unclear actions of the CVP which, like on a child's swing in a playground, would step up with one partner or another and make him rise or fall depending on the pressure applied to the bottom level."

But in the early summer of 1980 Jean Gol's PRL joined the Martens government, only to leave it again a few months later. His major themes remain social ones, and a devotion to the correct organization of the state. He is, for example, a supporter of a Wallonian-Brussels unity parliament and executive body such as the Flemings will suggest in August legislation. He is also launching a fiscal offensive: lower value added taxes, splitting up the assessment for working married couples, depth savings in social security.

Jean Gol: "And dare. Dare to govern. To keep the social partners in their place. I hope that the next government, preferably with us, will put the crowning touch on the work that has already been started in this respect: demand that those who participate in decision-making and thus also bear responsibility for it must have the status of a corporate body.

"The 'Belgian-style' rules that thrive in the back rooms of power will eventually lead to an absence of power and endless neglect of problems, thus to their further decay. I am a supporter of 'big' compromises which avoid useless ideological confrontations and keep secure the core of the common interest. But I abhor concoctions in which one decides in favor of one thing and its opposite at the same time, in which everyone claims victory, to the confusion of the general public."

[Question] Such as happened, for example, with the Cockerill affair. You said exactly the opposite of what Minister Eyskens maintained about the actual regionalization of the national industries.

[Answer] "In a country with two public opinions, two press and broadcasting systems, that duality appears almost automatically when it comes to social issues. But the disease of making bad compromises sits mainly with the PSC. Those people think they are clever when they keep to the middle in every situation, right between two contradictory ideas -- even when they are dumb or dangerous. They want to agree with everyone a little bit, on the same

subjects and at the same time. They call marshiness 'center' and lame solutions 'balanced decisions.' They sing 'forward, forward!' but march in place like little soldiers in an opera. There simply is no middle road when it comes to a number of problems: public finances, the social security system, defense policy, business, the hopeless subsidy of unsalvageable firms with tens of billions of francs Now and then you do have to choose between two alternatives. The public must be able to recognize and judge the choice that has been made. That is what Belgium needs: truth. Those who are not prepared to tell the truth are wasting their strength and often their talent as well. Mark Eyskens discovered that in 1981 when he took over as premier for a while. When the state is in a condition of imbalance and the national authority is not free of social or economic usurpers, the system eats up the best statemen in no time at all. The large pressure groups devour them, the way the Greek God Chronos ate up his own children.

"Seen in this way, Belgium will not be much different from the French Fourth Republic before long. Eight governments in 7 years' time, just think about that. But the France of the Fifth Republic still had a national pride to rouse, and Belgium doesn't have any of that. Now do you understand why my first impression was one of rebirth under Martens V?

"Finally some stability and respect for giving one's word. Finally a beginning of the emancipation of the state. An end to the extremely drawn-out deliberations that quickly degenerate into non-government. Before his time it was barely possible to get any decision in the name of the common good, because decisions were primarily being made by people who were serving a particular interest: all those representatives from all the far corners of the National Bank, the National Association for Credit in Industry, the NIM [National Investment Company], Sabena, the railroads, the university administrative councils Martens V started to call a halt to this dismantling of the state. The Lord had his vassals a little better under control. It is no longer the case that public life is led 'by figures in a shadow play, not set up for capturing a position from which to act, but with the intention of not acting above all else, and thus being able to maintain one's place.' Again a quote from DeGaulle."

Mistral

[Question] All these words confirm your great attachment to full powers. You are taking that into the election campaign, with positive slogans.

[Answer] "The idea of special powers was number one at the top of the PRL's election campaign in 1981. I continue to call it a perfect democratic solution, certainly in a crisis period. The parliament keeps its job of control and can, except for the areas designated for special powers, still do everything else. Using these powers has not caused the citizens' faith in politics to dwindle, but quite the opposite. People don't criticize having the courage, responsibility and sense to get one's work done."

[Question] With those thoughts you're going to have a lot of trouble tomorrow in the much more autonomous Wallonia that you have your eye on. Making your

ideas about the state fit the French-speaking community (in which the PS forms the largest power group) won't be easy.

[Answer] "Wallonia is going to have to take the same route to recovery that Belgium needs to follow. Wallonia and Flanders will have to act in a context of greater autonomy; that is obvious. My plea is for my province not to be 'behind a war' again and to take the right options in a timely manner.

"Our cities are going to have to clear up their financial situation without any manna falling from heaven. The population is no longer going to be able to pay out larger sums than its regional income allows. Steel is not going to become profitable on its own. In order to solve its big problems, Wallonia, just like you in Flanders, is going to have to find a social consensus. By that I do not mean any social ideology but agreement on a group of ideas. In our case it has to be shared by Wallonians and the people of Brussels, because we are pitted against a single Flemish nation. The French-speaking people of Belgium are still becoming a nation."

[Question] Do I now hear you saying something about what is often discussed in Flemish politics as Gols-Spitaels? A future organization of Wallonia without the PSC?

[Answer] "Certainly not. Because Wallonia will need much more liberalism that it has now in order to be a match for the future. Even Flanders uses the weapons of liberalism better. We have to reinstate the concept of an 'elite' and ban levelling, egalitarianism. A society in which the elite is regaled with bitter jokes, or even scorn, collapses.

"By elite, however, I do not mean a privileged class. You find elites at all levels of society and you have to know how to recognize them. The laborer who wants to and is able to do more, the employee who wants to be more effective, the scholarly researcher pursuing something new, businessmen who still want to be true to their name (by valuing, for example, cooperation within their firms more highly than cooperation with the state treasury): anyone can belong to an elite. But those who work 45, or 50, hours a week become discouraged in a political environment where the only thing talked about is the 36-hour work week, or where there is no longer any respect for quality. Where progress is equal to some back-stairs influence.

"Regional Wallonia is going to have to be Europe-oriented, not a provincial nest. Unfortunately opinion polls have told us that the Wallonian public is one of the most indifferent towards the EEC. That is because we look to Paris too much and too often. Blinded by the City of Light, we imitate it even in areas which have already been given up by the Parisians themselves. Aren't we running the risk of narrowing our European calling to a desire to become the northernmost province of France? In the meantime: the French regions are moving more and more towards self-affirmation and turning away from their tradition of centralization.

"A great rebirth for Wallonia is going to have to be rooted in the discovery of other cities, without totally rejecting Paris. But right next door to us

are Maastricht, Aachen, Duesseldorf. And Rotterdam and Copenhagen are Europe, too. Not every wind that blows through Liege is the Mistral."

[Question] Pretty. Latinate. Poetic.

[Answer] "It is a text that is over 7 years old. And it is still useful today, even for a Flemish journalist. That is how I have ordered my political life: I pledge my name to something and persist."

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POLITICAL

BELGIUM

SOCIALISTS' SPITAEELS ON ELECTION ISSUES, COALITIONS

Brussels LE SOIR in French 29 Aug 85 p 2

[Article: "Spitaels: A Realistic and Humane Socialism Is Not a Dead Concept, But a Program!"]

[Text] Socialism in 1985, is it a dead concept or in any case a faded one? Guy Spitaels screwed up his face, paused a moment and eventually said: "I think that the toughest period is over." From that point, his tone became firmer and his words took on a cadence and fulness. He has an underlying conviction: for neo-liberalism and its myths the tide has turned and we are seeing the disintegration of a rhetorical illusion torn to pieces by disappointing realities, while "another left," a lyrical "green" alternative, is also reaching its apogee, or is moving into decline. Undaunted, solid despite the vicissitudes, there remains that socialism both of heart and organization which will not be slow to regain its natural air, that of power, throughout Europe.

This profession of faith implies an approach. The one which Guy Spitaels is determined to communicate during this campaign. A difficult approach because it must be both radical and reasonable, serving to mobilize, and credible, infusing hope but tough where necessary. If he succeeds, the Socialists are ready--how ready they are!--to take on once again their share of responsibility for governing the country. With whom? It matters little to the president of the PS [Socialist Party] who absolutely refuses to repudiate any formula, beginning with that of a possible alliance with the liberals. As regards his fraternal enemies in the SP [Socialist Party], Guy Spitaels cannot imagine that the hopes of the larger part of the electorate which would vote socialist both in the north and in the south could be dashed over the missile question!

In short, this determined man who repeats like a leitmotif (the better to convince himself of it?), "I am not an out and out governmentalist!" is jealously keeping all his irons in the fire. In any case, he murmurs triumphantly, "The same coalition in power during two complete terms would be something unheard of in Belgium."

To Govern? Yes, But...

[Question] What does socialism mean to you in 1985? What ideas and hope does its message bring?

[Answer] It would be ridiculous to deny it; socialism has been affected by a conservative wave whose crest was reached in the early 1980's. But I think that the worst is over. The wave is beginning to subside pretty well everywhere; LE MONDE, for example, recently noted an American survey which indicated that the number of people aligning themselves with the right was in decline. The left has had a rough time of it. It had lost confidence in itself. But I think that is no longer the case today. Watch carefully the results in the next elections in Sweden and in Norway. Conservatism is no longer part of the spirit of the times. When the crisis was at its height, for a while people thought that it would make it possible to solve the problems. In Denmark, for example, where the conservatives succeeded in substantially reducing the public finance deficit. That was not the case, let it be said in passing, with the center-right government in Belgium.

[Question] A falling off for the conservatives, granted. But what does socialism have to offer in its place?

[Answer] We come with the idea of recovery. Of course, there is a narrow margin, especially in a country as open as ours. But it is time to bring about--selectively--economic recovery. People are waiting for that recovery. The number one problem is unemployment. The remedy applied by this government--carrying on the struggle only on the outside to increase our exports--is ineffective. All countries are fighting for the same markets. We have to think of something else.

"Every Man for Himself" No Longer Works

More than ever, we also come with the idea of solidarity. The idea of "every man for himself," "if the other guy is out of work, too bad for him," the "conqueror's attitude," none of these provide any solution. The PVV [Liberal Party (Flemish)] has adopted these slogans and it has no assurance that it will find a favorable response from public opinion, far from it! At first, faced with this wave, we had to brace ourselves against it, but now things are changing! We are able once again to tell people that we cannot abandon the unemployed. The idea of solidarity is making a comeback.

Finally, a third factor favors a return to socialism. I think that the "other Left" has undoubtedly reached its apogee. It has perhaps even begun its declining phase although that may not be

evident in Belgium in the elections. The Greens in Germany seem to be in decline in several regions. There was a time when one thought the advance of the Greens irresistible. But I am not sure that in the future this movement will continue its advance.

The traditional Left, for its part, has a tendency to become welded together again. The English Labour Party muddled about for a long time. Now it has become more realistic. Everyone in Germany predicted that the SPD [Social Democratic Party] would be in opposition for 8 years. Nowadays, people are beginning to doubt it seriously. Mainstream socialism is regaining its vigor when nonorthodox leftwing groups are reaching their limits.

[Question] Concretely, what approach can the Socialist Party adopt in Belgium today in order to remain credible?

[Answer] When it comes to administrative reform, we think that there can be no solution for the Belgian state apart from thoroughgoing changes. It is in this sense that we hold to a "radical" approach.

For the remainder, we are avoiding making promises that we could not keep: we are not promising to put the missiles back in their crates. We are not announcing that we will leave NATO. We will not return to people what has been taken from them! The break, for we do want a break, will be made on the level of what is possible. We will put a stop to the dismantling of social security. We will inject Fr 40 billion over a 4 year period into a selective recovery policy. We will forego eliminating the 2 percent index in 1986, as the present government wants to do.

Taxes: Neither Immediate Increase Nor Reduction

[Question] And what will you do in the area of finances? Your selective recovery will not be enough to solve the problem of public finances. Where will more savings have to be made?

[Answer] When it comes to finance, you know that this government passed a law promising Fr 14 billion in tax reduction, without saying, however, how they would finance it. It will not be easy to undo all that. Especially since we also favor some indexing of tax scales, and doing away with the simultaneous tenure of more than one government job. But generally speaking, we are in favor neither of an increase in taxes nor a reduction.

Nevertheless, I think that money can be saved on the TVA [Value Added Tax] by tightening up on assets. In some sectors, there is enormous waste. I will not mention what they are; we are in an election campaign.

As for the budget problems, I am convinced that further savings must be made. And I have already said that we must also make

savings in social security, whatever the communists may say! Admittedly, I refuse to touch social security benefits again but I am convinced that it is possible to economize in the administration of social security. Where hospitals are concerned, for example, Dehaene has not made all the savings he could. It's crazy to have five university hospitals in a city like Brussels!

[Question] Will it be enough?

[Answer] I could mention other measures such as those we are planning in the military: the repatriation of brigades from Germany. I could repeat a famous statement: "Having seen what the wise men have done, let the fools have their turn."

[Question] From the point of view of forming a government, on what points will you not compromise?

[Answer] I could not justify participation in a government unless at least three elements were present. There must be an advance in the federalization of the state. There is no question of our taking part if it is only to say that these are not real problems. There must be factors making for selective recovery. And finally, we will not have anything to do with the liberalization, as they call it, of social security.

"I Am Asking the SP to Be Very Attentive"

[Question] The FDF [Democratic Front of Brussels French Speakers] asked the French speaking parties not to take part in a government which would not create a Brussels district. What do you think of that?

[Answer] I am not sure that the FDF remains an important factor. But if another French speaking party says the same thing, we will join them. Among French speakers, we must endeavor to speak with the same voice. It would be an enormous step.

[Question] And with what partner, exactly, would you like to govern?

[Answer] I am sorry that it will not please your readers, but I must say that I am not closed to anything! And I may add that even after the Heysel events and the July crisis, the matter of what partner is of no importance as far as I am concerned.

[Question] But after all, one can hardly imagine you governing with Verhofstadt or Michel, who are worlds away from your social views. Would not the PSC [Christian Social Party] seem a more likely partner?

[Answer] You're moving quickly. If Gendebien were to become the president of the PSC, the administration problem would present

itself in a different fashion. But what we have is a different situation.

Probably we are closer to some liberal leaders when it comes to administration matters. On the other hand, in social and economic questions, we are no doubt closer to some Christian Democrats. So no possibility should be excluded. Especially since in politics the important thing is the reliability of an agreement that has been concluded. Sometimes it is better to raise the issue of a substantial handicap during negotiations and be reassured afterwards than the reverse.

[Question] So no one is out of the running as far as you are concerned? Even the SP [Socialist Party] which nevertheless has isolated itself by adopting an awkward stance on the missile question?

[Answer] I would like to make an important statement. If the election results are favorable to the Socialists of both north and south, I would immediately demand that the SP show great concern for the economic and social interests of the Flemish voters who had trusted them.

[Question] Not to be overwhelmed by the pacifist wave then?

[Answer] ...

[Question] You reject the argument that the SP makes against you concerning the Fourons. They are asking you not to put the community aspect through before the economic.

[Answer] But there is a difference! In the matter of defending French speakers, we are not isolated as the SP is on the missile question. I was not the one who spoke of attaching Zaventem to Brussels. It was Gol.

[Question] They say that your party is champing at the bit, and wants to get into office at any cost.

[Answer] Not at all! I have set forth my minimum conditions. People take me for a governmentalist, ready to sell my concoctions at any price. It is not true! I am very touched by the appeal of people who suffer most from the austerity measures. I do not want to disappoint them. Under the Socialists, there will not be any revenge by the unions on the bosses, but the approach will be different. The president of the PRL [Liberal Party (Walloon)] was recently talking about what an unemployed person gets. Well, he was wrong! He does not know what he is talking about! People have had enough of this kind of statement. They want to be respected. I won't keep on about what our program is. I will respect them.

The Socialist Party? It Has Made a Good Comeback

[Question] How is the Socialist Party doing after 4 years in opposition?

[Answer] The PS and the socialist family have made a good comeback, and the agreement concluded with the French speakers of the FGTB [General Federation of Labor of Belgium] is an unprecedented event in the social history of our country. There was a problem with the FGTB, that is obvious, and this new unity is good. The joint program was unanimously ratified by the Liege FGTB, after it was defended by Gillon. After all, the socialists make up a family, like Christians! Sensitivities and families do exist! It's already a major achievement when we manage not to quarrel! If we can agree together, it's even better!

[Question] But what if you ended up once again as the opposition? Could the PS withstand another 4 years of purgatory?

[Answer] I am not convinced that in Belgium a coalition can continue for two administrations in a row. I do not know of any example of this since the war. Since 1945, two teams have prolonged their tenure: Harmel-Spinoy, who held on for 6 months, and Eyskens-Cools II, who lasted for a year. No, really, if the Liberals and Social Christians were to put another coalition together, I do not think it could last 4 more years.

[Question] Let's go on to more personal questions. Can you mention to us a few names of men in your party who have impressed you? New men of the first rank.

[Answer] Indeed, there are people who have impressed me. But I refuse to answer your question. Because even if the PS does not take part in the national government, there are still regional and community governments. A specific endorsement could arouse hopes for careers and cause tense relations.

Cools, V.D.B., Martens and Simonet

[Question] When your colleagues are asked about the outstanding people among politicians, they often mention Andre Cools. This was the case with Gol, and Perin.

[Answer] I would mention him too! Andre Cools was the one who introduced me to politics. In 1972, he had me leave the university to prepare the conference on employment. I owe him my political life. I completely share the feelings of those who mentioned him. As the man I am now, who began in 1972 from zero politically and who now heads his community's number one party, I must say that what has touched me most of all is the way Andre Cools trusts people. He does not insist on controlling everything. I think I have returned this trust. It is essential.

[Question] Who has this quality in other parties than your own?

[Answer] I do not judge his private life, which is in other hands, but when it comes to dependability in political agreements, there is V.D.B. [Paul Vanden Boeynants].

[Question] And on the Flemish side?

[Answer] If I move outside my political family, I think of people like Willy de Clercq. He is like V.D.B: when he has put his name to an agreement, he sticks to it. In the CVP [Social Christian Party (Flemish)], the three most outstanding are the prime minister, Dehaene, and also Eyskens. But like other French speakers, experience has made me distrustful, because I never know how much freedom they have. All the upsets we have had since 1977 have resulted from promises that have not been kept. I have personal experience of that. Cools and I went through it and we draw the same moral. On the other side, everything is always changing! A compromise has to be worked out on a reasonable basis. A Belgian government will be formed in a few weeks, and we must see whether the foundations of the agreement that will be worked out are solid. The problem is that there can never be an agreement between French speakers. And then, the system wears people out quickly. It wears out their capacity for believing in the system. And that is serious. In a federal state, the two groups must sense the loyalty of the other, must feel mutual trust.

[Question] Do you think that Henri Simonet, on the PRL slate, will harm the Brussels PS slate?

[Answer] I hope not.

[Question] Are you afraid so?

[Answer] It is not out of the range of possibilities for the PS to do well in Brussels. The PRL slate is very heterogeneous, and perhaps everyone will find on it what they want, but are liberals in agreement with what Nols has again communicated concerning immigrants? Will not this sort of Spanish open house create a retention phenomenon? I think that the PS is not presenting itself too badly, and I think that the change of climate will benefit the Socialists.

[Question] What would be "good" results for the PS?

[Answer] For the Walloon Party, if we had 38.8 percent (i.e., 0.1 percent more than in 1981), it would be our best showing since 1961. In Brussels, the PS should be the number two French speaking party. Then I would be happy.

[Question] Do your expectations conform to these aspirations?
[Answer] We will fight. These are very important elections. People say that every time, I know, but it is true. We will do all we can to succeed. And objectively, I think that these results are within reach.

Education: The PSC Engages in "Nightclub Marxism"

Leaving his meditative heights, Guy Spitaels plunged for a moment into current events which consist, as everyone knows, of the problems linked with the communitarization of education. We asked him:

[Question] How did we manage to get into the present mess?

[Answer] Part of the coalition is not reading the Belgian situation correctly. It is engaging in "nightclub Marxism!" It is giving undue consideration to economic facts in the process of history and is neglecting such elements as the feelings of a people. Look at Northern Ireland, look at France today. For the PSC, all these would only be unreal problems.

Whether one likes it or not, for the last 20 years this country has been evolving through crises which are mainly community ones. THE PSC refuses to accept that. V.D.B in 1968 thought he could put the community problem under wraps, but he was defeated by the Louvain affair. In 1982, Deprez told the RTBF [expansion unknown] that if decisions were made for the iron and steel industry, there would be no regionalization of the five national sectors. Today, the Walloons are paying for their steel on their own. Nothoomb and even Maystadt, generally more farsighted, appealed for a return to national parties. And today their fellow party is threatening to abandon them. Deprez is insisting on following an outmoded approach. I am sorry about that.

[Question] But the PSC talks about other things beside that. It is also afraid of a socialist stranglehold on Francophone education. What guarantees can you give it?

[Answer] We have been burned by the actions of this government which has disrupted the educational peace. Before demanding further benefits for free education, they should have given thought to what was being done over the last few months.

The PS does not want any conflicts between the education systems. Of course, one can always imagine that in a community executive the socialists might try quietly to promote official education. But we know that it will not turn out that way. The economic and financial crisis in the south of the country is serious. It would be stupid; it would serve no purpose to try to oppose one system to the other. That is a sincere conviction.

[Question] It is a profession of faith, but it carries no formal guarantees. The PSC is demanding constitutional guarantees.

[Answer] Guarantees of free francophone education must be secured chiefly at community level. To put it under the jurisdiction of another authority would be to empty federalism of its essence.

[Question] Are you then in favor of a community education agreement but without constitutional guarantees?

[Answer] I am not closing any doors. Article 17 of the constitution on free education could be modified but without going any further than the spirit of the educational agreement. And I repeat that the coherence of an agreement must be found where the seat of power is, i.e., in the community.

[Question] Is there any possibility of reaching a francophone agreement on education before the elections?

[Answer] I would be in favor of it, but we must be realistic. It would have to be prepared! Whereas the Flemish parties have met regularly for 4 years now in order to work out a joint position, all our efforts to promote a united approach have been fruitless.

[Question] What if article "59 bis" was not on the list of articles subject to revision?

[Answer] A government that had a majority to do it could interpret this article in a quite different way than this government is doing.

[Question] Instead of seeing that this article implies that 90 percent of education should stay national, the PS interprets it in a diametrically opposite way, with 90 percent community education?

[Answer] You are repeating in other words what I have just said.

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POLITICAL

DENMARK

SOCIAL DEMOCRATS' ANNUAL MEETING ISSUES PROGRAM FOR 1990

Opposition Role Search Continues

Copenhagen BERLINGSKE TIDENDE in Danish 7 Sep 85 p 8

[Editorial: "The Social Democrats"]

[Text] The Social Democrats held their national congress last year, and this year they, therefore, have to make do with a so-called annual meeting. It is not such a big thing as a congress, and it is more a question of a manifestation than taking a position on issues. There is, therefore, no reason to expect any messages from Odense which will augur any new thinking on the situation of the Social Democratic Party and the future of the party. It is a bit of a pity both for the party and its policy. There must be a need among the Social Democrats for a clarification which goes beyond a demonstration of their present position on the political situation. And parliamentary life would gain from such a clarification.

The Conservative senior, Minister of Justice Erik Ninn-Hansen pointed out a few days ago that there actually is no alternative to a cooperation with the Social Democratic Party on the major political decisions. He draws the attention to Denmark's membership in NATO and the EC, and he mentions the bridge across the Great Belt and the media policy as major issues which frankly need a cooperation. It obligates the Social Democratic Party and it obligates the government parties to find a way. Within the ranks of the Social Democratic Party, there are, undoubtedly, still quite a few who, on the basis of history and experience, share the opinion of Ninn-Hansen. But there are, undoubtedly, also many who feel no obligation at all neither on the basis of the past nor on the basis of their evaluation of the present political situation.

In the course of the last few years, it has often enough been clearly demonstrated that the Social Democrats have had difficulty in finding out how to act when in opposition. At the congress last year, Anker Jorgensen stated that it was his experience that the party has has difficulty obtaining a hearing when it is not in government. That may provide part of the explanation of the strikingly strange conduct which marks the Folketing group in many situations. And it may, to some extent, be an excuse for actions and statements which the public finds it difficult to

understand. It cannot be denied, however, that also in the last few years there has been uneasiness with regard to the Social Democratic Party because forces which aim at pulling it to the left in the political spectrum are making increasing progress because of the freedom afforded the party by being in opposition. The lack of willingness, or ability, on the part of the party chairman to show a leadership which involves respect for the cooperation has, undoubtedly, contributed strongly to preserving the picture of uncertainty with regard to the party's objectives and resources.

It would be a good thing for the Social Democratic Party as well as for its relations with the government parties and their majority if the Social Democratic message tomorrow would appear so clearly that not only Social Democrats but others as well would become clearly informed of their program. There is hardly much hope that this will be the case. There still seems to be a long way to go before the Social Democratic Party will be at peace with itself and thus able to find its proper place in the political development.

Economic Platform Set Out

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 6

[Text] At the annual meeting of the Social Democratic Party, the party's new program "Denmark for the Entire People," was presented. It outlines the objectives of the party if it comes into power by 1990.

The Social Democratic Party's bid for the future has been laid down in a wall newspaper, the size of a poster. Under the slogan "Denmark for the Entire People," it shows what the party intends to do if it gets into power within the next 4 years.

The platform is less wordy and easier to grasp than the material usually presented by the party. Actually, it has this time been reduced to the size of a wall newspaper.

In nine chapters, the party outlines what it intends to do if it gets into power by 1990.

Among the immediate measures may be mentioned, among other things, abolition of payment by employees of the initial day of sick leave, educational opportunities for the unemployed--without any reductions in the daily unemployment benefits, an increase in the hydrocarbon tax and abolition of the law which reduced employers' dues.

In addition, the rates of daily unemployment benefits and severance pay will be adjusted by 5 percent immediately and subsequently *pari passu* with trends of wages and salaries. Compulsory distribution of profits in the form of economic democracy will be introduced in such a way that the funds will be tied up in enterprises in the form of employees' capital, administered jointly by the employees of the individual companies.

Contrary to the proposal by Hardy Hansen, chairman of the Semi-Skilled Workers' Union, the Social Democrats do not demand a resumption of the collective bargaining.

"I do not believe that we shall be able to intervene in existing agreements," says Svend Auken, who has headed the committee set up by the party and the Federation of Trade Unions to prepare the party program.

On the adjustment of daily benefits, Svend Auken says that they intend to stick to an immediate increase of 5 percent since it will not be possible to introduce all at once the 12 percent increase in relation to wage trends which they find that the recipients of daily benefits lack.

The program, furthermore, incorporates introduction of a 35-hour workweek by the end of 1990.

Incidentally, "the new government should introduce actual tripartite negotiations with the parties in the labor market before the renewal of the collective agreements in 1990."

The program also includes the allocation of 500 million kroner in the course of the next 4 years for sports, cultural activities and the arts.

At the presentation of the program, Svend Auken said that they promise not to undermine real wages but to maintain them. The framework will be the consumption we have today.

In answer to the question whether he believed that parties such as the Radical Liberal Party and the Socialist People's Party would post the program on the walls of their group offices at Christiansborg [parliament], Svend Auken said that he did not believe so. On the other hand, he does not believe that the two parties will regard the program as negative.

South African Coal Ban

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 6

[Text] The Social Democratic Party expects the majority of the Folketing to support the proposal for a more rapid discontinuation of coal imports from South Africa. The foreign minister refers to new figures for coal imports as "peculiar."

The increasing purchases on the part of power companies of coal from South Africa will have to be stopped, and immediate steps will have to be taken to discontinue the entire import of coal in order to put pressure on the White Apartheid regime.

The above resolution was adopted yesterday at the annual meeting of the Social Democratic Party, held at Odense. In the early part of the upcoming session of the Folketing, Ole Lovig Simonsen, M.P., expects support from both the Radical

Liberal Party, the Socialist People's Party and the Socialist-Left Party for a bill to restrict purchases of coal from South Africa.

"Figures from the Department of Statistics show that coal imports are increasing, and the power companies together with BP Oil Company have increased their coal imports from South Africa--deliberately or unknowingly--at a time when the majority of the Folketing has directed a discontinuation of coal imports from that country," Anker Jorgensen said at the annual meeting, adding that "everything will be done to stop the import."

Foreign Minister Uffe Ellemann-Jensen (Liberal Party) tells BERLINGSKE TIDENDE that he finds the figures for the coal imports from South Africa "peculiar," and he will look into the volume of imports from South Africa immediately this week.

According to the preliminary statements from the Department of Statistics, coal imports increased to 850 million kroner during the first 6 months of the year. When, in 1978, the Folketing directed that the importation of coal from South Africa had to be discontinued by 1990, South African coal imports accounted for approximately 14 percent of Denmark's coal imports; they are now 35 percent.

Reuse of 1983 Figures

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 6

[Text] The Social Democratic Party has not estimated the consequences of the new action program. The political spokesman of the party, Svend Auken, said at the presentation of the program that he is tired of the many data bases which are competing with one another in using various model types.

The economic conditions are today more or less the same as those used by the party in the 1983 program "The Solidary Road." The assumption here is an annual growth in the national product by approximately 3 percent and a declining real interest rate in Denmark and abroad.

The labor force is assumed to continue to grow by 15,000 to 20,000 persons annually. The collective consumption is assumed to grow by well over 50 percent of the growth rate of the national income. The deficit of the state is expected to approach zero in 1990.

EC Membership a 'Reality'

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 6

[Text] Anker Jorgensen, chairman of the Social Democratic Party, sharply attacked Foreign Minister Uffe Ellemann-Jensen (Liberal Party) at the annual meeting. The Social Democratic Party rejects European desires to change the right of veto and powers for the European Parliament.

The debate for and against membership in the EC is now assumed to have been concluded within the Social Democratic Party. Denmark is a member of the EC, and the efforts are to be used to develop the cooperation within the current EC framework, but also to expand the position of Europe in world developments together with countries outside the EC, among them Norway, Sweden and Austria.

This was the signal of the Social Democratic chairman, Anker Jorgensen, from the annual meeting to the party, and the chairman of the party's European committee, Birte Weiss, added that "we have got to get the debate going and in a much broader context than the EC."

"I believe that there are still opponents of the EC within the Social Democratic Party, but we are now members, and we have to develop it, but not against the union plans which are now presented. If concrete steps are taken against such a union, we have to have another referendum," Anker Jorgensen said.

Anker Jorgensen's two deputy chairmen, Svend Auken and Birte Weiss, were both against Denmark's entry into the EC in 1972 and, when asked directly, did not want to say whether today they would support or oppose Denmark's membership in the EC on the basis of the present situation.

During the debate, Anker Jorgensen sharply attacked Foreign Minister Uffe Ellemann-Jensen, whom he criticized for "taking every opportunity to carry on a controversy."

"The fronts have been outlined sharply for the negotiations within the EC government conference. The foreign minister should clearly report the position of the majority of the Folketing and not resort to the same ambiguity as in the security policy so that other countries do not know Denmark's position," Anker Jorgensen said.

The political spokesman, Svend Auken, found that the Liberal Party and its chairman, Uffe Ellemann-Jensen, want to distinguish themselves in relation to the party's government partners, and it "is dangerous for the Liberal Party to make use of an extremely serious issue to distinguish itself."

Anker Jorgensen supported the new European technological cooperation EUREKA and referred to it as an example how Europe can cooperate with countries outside the EC circle.

Conservative Paper Assesses Meeting

Copenhagen BERLINGSKE TIDENDE in Danish 9 Sep 85 p 8

[Editorial: "Keep Count of Promises"]

[Text] The new Social Democratic program and the debate on the program at the annual meeting are instructive. Both with regard to what it says and especially what it does not say and what is not being said in the

debate. Nor is it without interest who said what and who did not have anything to say.

The misgivings were confirmed in connection with the party's lack of appreciation of the country's economic problems. Moreover, expecting that the party which had created the basis for the economic chaos would now be in a position to contribute to a realistic reconstruction program would probably be expecting to much of the party. However, in view of the fact that a few of the party's leaders, though never the party chief himself, have most recently been very much worried about the balance of payments, some kind of indication of the party's objectives might have been expected. However, there was none. The Social Democratic Party still does not want any restrictions on its wild ideas, their number or extent, such as a deadline for a balance of payments surplus. There are far too few sober-minded and economically responsible people within the party for that, and the chairman's response to the economic reality hardly makes it attractive to make any efforts in that area.

It was interesting to learn that the party now advocates keeping the growth rate of the expenditures within the public sector lower than the economic growth of the country. That is, after all, some kind of goal, and if the party had had the same goal in the past, the Danish economy would have looked quite different today. There is, therefore, reason to doubt whether the left wing of the party has understood the depth of this goal. In order for the party's inflated desires for growth within the public sector to be carried through, an increased growth rate, the likes of which we have not seen for decades, would be needed within the private sector. Such a growth rate would even have to be achieved without the use of public funds. They are either not serious in their desires for increased expenditures or the objective of a lower growth rate in public expenditures has not been understood, and, unfortunately, it probably is the latter which is the case.

Another goal of the party is now a budgetary balance. This probably is to be interpreted as meaning that the expenditures and incomes under the budget of the state are to be of the same magnitude. A strange goal to set for oneself. Both from the points of view of the budget and the economy. The state is, after all, on its way toward a debt of 500 billion kroner, so a surplus would be a more obvious and necessary objective. As far as the economy is concerned, one might be inclined to believe that the party has forgotten everything about financial policy since it aims at a budgetary balance. Finally, it probably is worth keeping in mind that the public sector is different from and more comprehensive than the state, and that it is the total effect of the financial policy pursued by the public sector which should be of primary importance from an economic policy point of view.

It is interesting that the Social Democratic Party should include little about its economic policy goals in its platform. That, after all, is a beginning. However, it should also be noted that it is but a very small circle within the party which contributes to the economic policy discussion in writing as well as in debates. The entire Social Democratic electorate

certainly does not participate. That small circle is represented within the leadership of the party, but there is still a major shortage of support within the inner circle to combine economic realism with social and democratic reforms, as stated.

Outside the Social Democratic world, we are still waiting for the party to keep count of its promises. The promises with regard to the economy as well as the expenditure policy. When are the objectives to be achieved and what will they cost? There is every indication that expecting such a sense of reality is still expecting too much from the largest opposition party. And would it then be possible to get the Socialist People's Party to join?

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POLITICAL

DENMARK

SCHLUTER TO CONSERVATIVE CONFERENCE REJECTS ULTRA RIGHTISM

Put Party in Political Center

Copenhagen BERLINGSKE TIDENDE in Danish 31 Aug 85 p 6

[Article by Carl Otto Brix]

[Text] Poul Schluter will stand at the center of the Conservative Party's national conference because he more than any other Conservative leader has put the party in the political center.

When 3,000 Conservative delegates and guests meet in Falkoner Center in Frederiksberg today there is no doubt about who will stand in the center and remain there for the 2 days the conference lasts. It will be the Conservative Party chairman and the nation's prime minister, Poul Schluter.

If Poul Schluter was not such a friendly man with a good share of self-irony things could easily go wrong. Not since Christmas Moller has the Conservative Party had such a popular leader and no Conservative politician has ever been able before to do what Poul Schluter has done--unify nonsocialist Denmark under a Conservative leader.

But Poul Schluter's ability to keep his distance in spite of his friendliness and amenability keeps him from turning into a guru. He does not just repeat the things said by likeminded colleagues, but gives them his honest opinion.

When he says that ideology is a lot of nonsense or that he is not so conservative that it makes any difference, these are of course not opinions that arouse great enthusiasm among party colleagues, but these statements may lead them to reflect more deeply about the political realities.

It was Christmas Moller who wanted to make the Conservatives--who emerged from the ruins of the old Conservative Party--a popular party, but Poul Schluter is the man who turned the dream into reality.

He is well aware that Danes are not ideological enough to be able to base much on that. He also knows that it is the middle class that can make a

party big. He stresses that. That is why he has added a pinch of salt to ideology and conservatism and that is why he has made the party the biggest nonsocialist party and a worthy alternative to the Social Democratic Party.

Once in a while someone with an interest in history may wonder how things went for the Conservative Party and its chairman through the 1970's and 1980's. No one doubts that he was elected because he represented a compromise between the conservative Conservatives under Ninn-Hansen and the negotiating Conservatives under Haunstrup Clemmensen. The two wings were about to split the party and reduce it to a small insignificant group. One opinion poll even showed the Conservative Party down around the cutoff level.

That was the bottom point and since then the party has moved upward as if that were the only direction to be found. The culmination was reached in September 1982 when the nonsocialist government was formed--without holding an election--with a Conservative leader.

Poul Schluter has been able to bring about cooperation among four parties, an exemplary cooperation despite differences of opinion and fears of oblivion. He is first and foremost the country's prime minister and being a Conservative takes second place, which is certainly the only way that it could work.

He has also been able to create a relationship with the Radical Liberals that has been unknown since the days of the VKR [Liberal-Conservative-Radical Liberal] government. The Radical Liberal Party has become a regular supporter when it comes to economic issues. The dark chapter of security policy is not one of the things that is apt to come out in the light party atmosphere of a national conference.

The Conservative Party and its leader are in the midst of a historic mission. The party will be the rallying midpoint and with the other three or four parties it intends to restore the Danish economy after the downturn of the 1970's. And the party intends to show that a nonsocialist regime is not just a parenthesis in Danish politics but a reality--and an alternative. The Social Democrats call the four-party coalition both a headache and a stomach ache that people just want to go away. But that is something the voters will have to decide.

Poul Schluter knows that it will do no good for Conservative officials to make too stringent demands for political uniformity. That would cause trouble for him with parties both in and outside the government.

It can be hard to maintain a balance between enthusiasm and restraint but that is what the Conservative delegates must strive for and that is what they must try to get out of the national conference. This is the leading nonsocialist party, one with major responsibilities, that is meeting for a political debate intended to support a prime minister who must at least have peace in his own back yard in order to solve the problems history has confronted him with.

Paper Lauds Pragmatism

Copenhagen BERLINGSKE TIDENDE in Danish 31 Aug 85 p 6

[Editorial: "The Conservatives"]

[Text] There is no drama in sight prior to the Conservative Party's national conference this weekend. There are no political or personal tensions that might cast a shadow of discontent over the happy condition in which the Conservatives find themselves. For 3 years we have had a Conservative prime minister, the party has won an election along the way and it can look forward with equanimity to the municipal elections which will give several more seats to a party that seems to have nothing to fear in the foreseeable future. The three other parties in the government coalition must feel somewhat less certain. The Radical Liberals occasionally suffer from nervous twitches and the Social Democrats are in an almost constant state of confusion. The Conservative Party has every reason to regard developments with satisfaction.

But the wisest of the Conservative delegates will probably feel a certain amount of anxiety deep down inside. They will realize that the successful government efforts also involve burdens that are not without risk for the party in the long run. For a party that regards national defense as a foundation for the continued wellbeing of society, foreign and security policy issues must have been a heavy burden ever since the government was formed. The turnabout of the Social Democrats and the overeagerness of the Radical Liberals to help change the clear line of the postwar period must be a fairly humbling experience for Conservative delegates and voters to live up to. A large part of the Conservative voter core has placed itself there in order to strengthen the force behind the policy that assures the country's positive placement in NATO. Because of the government's dominant task of restoring the nation's economy the Conservatives have had to accept things they did not have the imagination to foresee. It is to be hoped that the Social Democratic policy has been driven so far that it cannot go any farther. If the Social Democrats go farther along this course the day may come when the Conservative Party risks betraying itself.

The most clear-sighted people will also have reason to feel an incipient anxiety that through a government effort that will continue for a long time to come the Conservative Party may eventually wear itself thin as a result of its pragmatic political position. The implementation of tax reform--no matter how important its political value is--will undoubtedly cause Conservative voters to ask if this is their own conservative policy. When a government goes into its fourth year it is old enough for other topics from the daily work to become sources of irritation, even if this should not be the case. The interaction becomes somewhat frayed at the edges.

But at this national delegates' conference happiness over the strength of the party and especially Poul Schluter will overshadow all anxieties and no

one can reproach the Conservative delegates for that. On the contrary, they deserve to enjoy themselves in recognition of the fact that the party has demonstrated its total mastery of the job it tackled.

Urges Renewed Defense Consensus

Copenhagen BERLINGSKE TIDENDE Danish 2 Sep 85 p 1

[Article by Carl Otto Brix, Helle Ravn Larsen and Kim Barren]

[Text] "The Conservative Party must never compromise itself," the prime minister said yesterday at the conclusion of his party's national conference. Social Democrat Anker Jorgensen commented: "I think the prime minister is destroying the welfare state."

"You must not ask us to go to the right to such an extent that the left wing wins out."

These were the final words of party chairman and Prime Minister Poul Schluter yesterday when he brought the national Conservative conference in Frederiksberg, attended by 3,000 delegates and guests, to a close.

"The Conservative Party must never compromise itself but of course it has to enter into compromises. Otherwise no policy could be implemented either on the municipal level or in Folketing. But there are limits. This is especially true in the area of security policy. The limit lies at the point when Folketing tries to force the government to take steps that would jeopardize our credibility as a NATO partner. If that happens, we will have to put our foot down.

"That is not what we want. We want to return to the time when cooperation with the Social Democrats created the solid foundation that Danish security policy had," Prime Minister Poul Schluter said.

The prime minister refused to engage in an ideological showdown with the Social Democratic model of society.

"That would mean turning the Denmark we know today upside down," he said. "And that Denmark is not my enemy. I love it. It has flaws and we will point them out and correct them. But it may give the socialists their biggest chance if we prepare for a showdown."

The prime minister called relations between Denmark and EC the most important political issue in the year ahead.

The Conservative Party wants Denmark to remain in EC. "Talks on what is called a European Union will now get under way. If we come to the point where the other countries want to take three steps and Denmark only wants

to take one the question must be presented for political clarification, a yes or no voted in Folketing. We will have to take stock and make a decision."

Destroying Welfare State

"To keep it in simple terms," said Social Democratic chairman Anker Jorgensen with reference to Prime Minister Poul Schluter's statements at the Conservative national conference, "I think the prime minister is destroying the welfare state."

Anker Jorgensen continued: "The prime minister is incredibly provocative in relation to the Social Democrats. One of the reasons why the budget looks so good is the tax on real interest that was carried out as a result of a Social Democratic initiative. Schluter's attitude is arrogant and onesided and therefore I would like to tell the prime minister to come down to earth. He may need the Social Democrats again. It certainly does not promote cooperation to have Poul Schluter behave in such an incredibly prickly way."

Paper Assesses Conference, Schluter

Copenhagen BERLINGSKE TIDENDE in Danish 3 Sep 85 p 10

[Editorial: "Weak Links"]

[Text] At the opening of the Conservative Party's national conference Prime Minister Poul Schluter made it clear that the formation of the four-party government was not a parenthesis in Danish politics. The plant--the four-leaf-clover coalition--has grown big and strong and now represents a real alternative to the Social Democrats as a government-forming factor. At the conclusion of the conference the chairman of the Folketing group, Knud Ostergaard, took in the sails by strongly emphasizing the point that the government's four parties must stick together in order to stay on course.

It is not just that two people with different temperaments were addressing the gathering. It was more a question of an idealistic or fundamental viewpoint being pitted against a down-to-earth or pragmatic outlook. Both speakers are right, of course. The four-party government has become an alternative. Or, to put it more accurately, there is no other viable government constellation in Denmark at the present time. It has been confirmed by both opinion polls and actual politics that the four-leaf-clover government has taken hold, not as a temporary arrangement but as an expression of a unification of the broad political forces that exist outside the ranks of the Social Democratic Party and the left wing. The four-party government is not threatened from the outside but it could be destroyed or dissolved from within. If forces within the Conservative Party pull the party farther to the right than its cooperating partners can accept, serious cracks will develop. If forces in the cooperating parties try to push the biggest government party in an undesirable direction it will break up the cooperation.

On the same day that the national conference ended, Rene Robert Brusvang of CD [Center Democrats] sent out signals that his party will launch what he called a massive educational campaign concerning tax reform. It has long been known that Brusvang is an opponent of tax reform. It is also known that his chances of winning re-election to Folketing are not very great at the moment. Therefore it is understandable that he has so actively entered into the debate that should have been ended when the compromise was reached but that can be kept alive until the time when all the final technical agreements on the form of the compromise have been arrived at. His campaign is a good indication of the dangers that threaten the existence of the government. He is neither a right-wing nor a left-wing force but if he succeeds in pulling CD away from the base of the cooperation he will manage to inscribe his name in Danish political history anyway. He would stand out as the man who succeeded in destroying the four-party government.

Not even a four-leaf clover is stronger than its weakest part.

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POLITICAL

FINLAND

MAX JAKOBSON: COUNTRY SHOULD ALSO TAKE CARE OF U.S. TIES

Eureka Seen as Stimulus

Helsinki UUSI SUOMI in Finnish 18 Aug 85 pp 18-19

[Commentary by Max Jakobson: "Finland's Image in the West Must Be Brightened"]

[Text] In Max Jakobson's opinion, it is time to switch from considering ideas to content in our foreign policy debate. Especially since the world political scene is greatly changing.

Jakobson presents four propositions on Finland's foreign policy as a basis for conclusions:

Relations with the Soviet Union have become more stable with the exception of the big commercial problems that are arising.

Relations with the United States should be developed; we should have friends that are distant as well as those that are near.

The climate is not propitious for conspicuous new CSCE initiatives.

Actions must be made more effective in the orbit of the European Economic Community (EEC) within the framework of the present EEC agreement.

The recent debate on foreign policy has been for the most part semantic and dogmatic in nature: a debate over what words should be employed in defining Finland's neutrality policy or over which citations from the sacred texts of our great foreign policy mentors should be employed each time.

Finland's speeches at the CSCE anniversary conference put an end to this debate. President Mauno Koivisto anchored our neutrality policy in the CSCE position paper in exactly the same way President Urho Kekkonen did 10 years ago. As for Foreign Affairs Minister Paavo Vayrynen, he proposed a clearcut definition of it that we might all use in international contacts from now on:

"Finland has not striven for security by belonging to a military alliance, but by opting for neutrality. When we take a stand on international political

issues, we are pursuing our neutrality policy; Finland tries to keep out of disputes between the superpowers and to maintain good relations with all nations."

It is to be hoped that the debate on foreign policy will now be directed toward its content: How can we protect Finland's national interests in a situation in which big structural changes are occurring in international relations?

Strategic Balance Is Crumbling

Technological development is the prime mover of these changes. It directly affects the strategic configuration between the superpowers. In the public debate most attention has recently been directed toward the strategic defense system planned by the United States ("star wars") and its possible effects; however, several other factors — among others, improvement of missile accuracy and new, more readily mobile weapons systems, for example, different types of cruise missiles, and also development of precision weapons that belong to the class of so-called conventional weapons — are crumbling the foundations of the strategic balance created in the 1960's and 1970's.

We must, of course, hope that a new arms control agreement will be produced between the Soviet Union and the United States during the Geneva negotiations, one that will stabilize the strategic configuration and thus strengthen trust between the superpowers. The mutual suspicion is, however, so deep-seated and the technical problems — among others, the arrangements for supervision of compliance with a possible agreement — are so difficult that there is reason to prepare for failure. It is possible that we can no longer return to the situation that prevailed in the 1960's and 1970's, when arms control through mutual agreements occupied a central position in cooperation between the superpowers. Possibly also, a turning point has been reached in the development of arms technology — perhaps from now on offensive weapons will be losing the absolutely dominant role they have had during the past 3 decades.

Although the creation of effective antimissile systems will probably be one of the concerns of the next millenium, the continuation of research aimed at that in the United States with its many reverberations on civilian production will in itself introduce a new element into international politics. Technology, know-how, is today an instrument of superpower politics like oil and grain.

"Euro pessimism" Is Being Nourished

A challenge has been aimed at the Soviet Union, but it is also directed against the United States' allies, the West European countries. The United States and Japan's technological lead, the ever closer interdependence of these two countries' national economies, the directing of U.S. economic interests in increasing measure toward the growth centers of the rim of the Pacific Ocean, the opening of China to economic cooperation with the rest of the world — all this is nourishing a "Euro pessimism" according to which Europe is "becoming an economic dwarf," as a certain British analyst recently put it.

The fact that, while the need for the unification of Western Europe was originally argued by referring to the threat posed by the Soviet Union and the danger of communism, today they are demanding the union of forces so that Western Europe will be able to compete with the United States and Japan on the high tech product market is typical of the change that has occurred in the climate of world opinion.

In this spirit, Economic Community leaders decided at their recent summit conference that common economic markets would finally be realized by 1992. In this spirit too, Mitterrand proposed his Eureka initiative: It is Western Europe's declaration of independence, which is aimed at the United States.

From Speeches to Deeds in the Soviet Union

The challenge has been accepted in the Soviet Union too. In a recent speech new chairman Mikhail Gorbachev said that in the Soviet Union they have so far mostly "only talked" about the scientific-technical revolution; now they intend to achieve it. He asserted that the Soviet Union has reached a "historic turning point" at which, aside from the trend of the Soviet community's own development, they are also deciding on the position of socialism in the world.

"Every nation's foreign policy is inseparably linked with its domestic situation," Soviet Foreign Minister Eduard Shevardnadze declared at the Helsinki CSCE conference. "In the Soviet Union we are now beginning to implement far-reaching plans to improve people's standard of living. This is why the Soviet Union needs peace in Europe and peace throughout the world."

New Leadership Stabilizes Relations

The Soviet Union's new leadership is now clearly making an effort to stabilize its relations with all sides. Their foreign policy activities have shown themselves to be pragmatic and flexible.

Their relations with China have already noticeably improved. Soviet diplomacy is also working elsewhere in Asia to create peaceful situations. They are engaging in negotiations to settle the conflict in Kampuchea. Vietnam has cautiously begun to improve its relations with the United States. North Korea, which is establishing relations with South Korea, is doing likewise. It is also logical to anticipate a new initiative from Moscow to end the war in Afghanistan.

In the Near East the Soviet Union was instrumental behind the scenes in getting its protege, Syria, to appear as a liberating angel in the big hostage drama in Lebanon. At the same time the Soviet Union has softened its position with regard to Israel. The purpose is apparently to get to influence the round of negotiations on the Near East that is beginning under the patronage of the United States.

Perhaps, in spite of all their differences, the United States and Israel are finding a common enemy in the Near East: the Islamic extremist movement that threatens to spread chaos throughout the area.

New features in the Soviet Union's view of foreign policy have been noted in some of Gorbachev's statements: The Moscow-Washington axis does not dominate it to the same extent as before. According to it, it is assumed that the Soviet leadership is preparing itself for the fact that relations with the United States may remain strained for a long time. Meanwhile, they are trying to develop cooperation with other important centers of power, especially China, Japan and the West European countries.

Western Europe in the Foreground in the Kremlin

It is at any rate obvious that Western Europe is a primary target of Soviet diplomacy. Gorbachev is to make his first foreign visit as leader of the party to France. New is the fact that Moscow is also establishing relations with the EEC.

One reason is, of course, to obtain West European support for the campaign against the U.S. strategic defense project. But, if we go into the tactical calculations more deeply, we can see that the softening of the ideological contrast through a weakening of communism reveals the coalescence of basic realpolitik interests between Western Europe and the Soviet Union: It is in the interests of both to preserve the stability of the situation in Europe regardless of fluctuations in superpower relations.

Four Propositions with Regard to Finland's Position

How might these structural changes in international relations affect Finland's position?

In the following I present some viewpoints on this as a basis for discussion. I will not attempt to place them in order of their importance either and I do not overly maintain that perhaps in addition to them other conclusions might also be drawn.

1) Finland's relations with the Soviet Union: The current trend in Soviet foreign policy confirms the reasons for the stabilized situation that has long prevailed in Finnish-Soviet relations. After all, Finland's international position is a part of the European arrangement which the Soviet Union is trying to establish.

The fact that Finland's relative importance from the standpoint of the Soviet Union will decline as Soviet relations with Western Europe improve is a different matter. The consequences will become evident particularly in the domain of trade: Competition on the Soviet market will become stiffer. The lowering of the price of oil is even now increasing our export surplus in the Soviet trade.

There is also reason to prepare for a structural change. When the change in generations that is in progress in the Soviet Union extends to the Foreign Trade Ministry, which may happen very soon, and younger technocrats get to determine foreign trade policy, Finland's special position among the Soviet Union's capitalist trading partners will probably become an object of re-examination.

2) Application of the neutrality policy: We want to keep out of the superpowers' conflicts of interest, but these conflicts no longer always appear as clearly defined as they were before. The vote on Grenada in the United Nations gave us a foretaste of the problems a European nation that observes a neutrality policy may encounter. Our course of action was defended by appealing to the fact that several of the United States' European allies voted for the proposed resolution condemning [Grenada]. But, as time goes by, we cannot associate ourselves with nations whose foreign policy is quite different from ours in nature. After all, Europe's NATO countries do not try to keep out of the superpowers' conflicts of interest.

It is obviously consistent with Finland's interests to act to preserve Europe's stability. But our interests also demand that we properly look after our relations with the United States. There is no question of any artificial symmetry in this: Our relations with our neighbor nation, the Soviet Union, are for natural reasons qualitatively different from our relations with the United States. Machiavelli's good advice: "friends nearby, enemies at a distance," does not, however, help us in this case. It is consistent with Finland's interests to pursue a policy that will assure us of having friends both nearby and at a distance.

Future of the CSCE: Judging from Finland's recent political activity, one may get the impression that we have adopted the CSCE as our foster child. Perhaps this was necessary so that the CSCE would not be completely abandoned as an orphan.

The result has, however, been that every setback the CSCE has suffered has been recorded — at least in Finland's own news media — as a defeat for Finland's foreign policy. Since the recent anniversary conference has just demonstrated that the CSCE process is still alive, a slightly cooler and more aloof attitude is possible.

The climate is scarcely propitious for conspicuous new initiatives, for example, for a proposal asking for the creation of a CSCE secretariat. We cannot afford to continue to propose a number of initiatives that are not implemented.

The CSCE nevertheless still provides a natural forum for Finnish foreign policy activity, although we must be prepared for the fact that the role of mediator between the superpowers may shift from the neutral countries per se to agents that carry more weight, the German Federal Republic and France.

4) Finland's relations with the EEC: The Eureka case has demonstrated that our relations with Western Europe are not as free of problems as was imagined.

We have to work harder to brighten Finland's image in Western Europe; to do that it would also be worth while to make a greater effort in our economic life.

If the EEC's internal integration is consolidated, as there is reason to believe, the competitive position of firms from countries outside the EEC will be weakened on the common market. In Sweden's industrial circles they have even begun to talk of the possibility again that Sweden should try to become a member of the EEC.

There can, of course, be no question of that as far as Finland is concerned and I do not believe that it could become opportune for Sweden either, but the very presentation of such an idea is symptomatic. It indicates that we must step up our activity in the EEC area within the framework of our current agreement so that we can strengthen our advantage insofar as is possible for an outside nation.

The establishment of a separate EEC delegation in Brussels really happened at the last minute.

Paper Comments on Jakobson's Views

Helsinki HELSINGIN SANOMAT in Finnish 23 Aug 85 p 2

[Editorial: "Finland's Image to Be Brightened in Northern Europe"]

[Text] Last Sunday's UUSI SUOMI published Max Jakobson's review of Finland's position on the current international scene. KANSAN UUTISET and TIEDONANTAJA have already managed to reject Jakobson's usual stylish debate opener by assuming that his aim is to change Finland's policy line. The assumption is an old, perverse way of preventing discussion.

The foundation of Finland's position is, however, to maintain the country's established foreign policy identity.

In comparison with Finland the countries situated in the central parts of Europe, from Poland to Hungary, are substantially more unstable. String pulling, realpolitik obligations and strong Central European cultural traditions operate in them. The pressures for change are there, not in the North, in Finland.

Trends observable in Europe are reflected in Finland's position, even though they do not obscure Finland's identity. The key factors of change are represented by the interest the Soviet Union is again displaying in approaching the EEC within the framework of the CECA. It is also worth while noting that in Moscow they have not yet taken a public stand on Eureka, Western Europe's new technical research program. Thus Western Europe's technical capability clearly interests the Soviet Union; Eureka's negative sides do not necessarily overshadow its positive dimensions.

Jakobson, however, has a false impression of the EEC. Finland's activity nevertheless differs from Sweden's or Switzerland's activity, but Finland has not lost its economic advantages. It also seems to be the wrong move to get Sweden ready for full membership in the EEC. Of course, we constantly hear speeches from Swedish industry supporting membership, but they can be compared to the industry of the Grand Principality of Finland's desire to oppose independence and remain linked to Russia to ensure its markets. Sweden is not ready to give up its traditional neutrality just like that for the benefit of the supranational EEC.

Finland's biggest problems and challenges, however, lie in the direction of Sweden.

The problems touch upon Jakobson's concern over brightening Finland's image in the West. We have not clearly realized in Finland either that the endless stream of Finnish citizens seeking work and advancement in Sweden these past couple of decades has confirmed the still active impression in Western Europe that we Finns are the blacks of Northern Europe.

Finland is indeed the only industrial country that has relinquished a substantial portion of its population to foreign countries. This has certainly been perceived in Europe and has resulted in cautious conclusions. Because of this Finland was not originally invited to participate in Eureka. What after all could one expect in a technical sense of a country that is incapable of assuming responsibility for its own citizens!

The fate of the 400,000 Finns living in Sweden involves both the morality of our foreign policy and the issues of Finland's security now that the nation's population is in the long run declining.

The challenge for Finland's foreign policy lies in continuing with the policy line of the Nordic countries, which was abandoned when common labor markets were created. Nordic capital markets should be established and a joint economic structure in general, which the OECD endorses as a special, closed regional group. The Nordic countries have not kept watch over their inefficiency, have not seen to it that they have the same kind of group advantage in the OECD that the EEC has. Aside from continuous Europeanization, this would also assure Finland too a permanent Nordic way of life. This is one of the key issues of Finland's foreign policy.

Without moving closer to the West, Finland, should sit down and examine the present and the future together with its nearest Nordic and especially Western neighbors. Bilateral summit meetings should become a permanent practice that is repeated many times a year.

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POLITICAL

FINLAND

COMMUNIST PAPERS ANALYZE VAYRYNEN'S CSCE COMMENTS

Helsinki HELSINGIN SANOMAT in Finnish 6 Aug 85 p 9

[Article: "'Vayrynen's Speech Deviated from Kekkonen's Line'"]

[Text] KANSAN UUTISET, published by the SKDL [Finnish People's Democratic League] and the SKP [Finnish Communist Party], has latched on to the choice of words in Paavo Vayrynen's speech delivered to commemorative meeting of the CSCE. In an editorial in Monday's paper, on which the English news agency REUTER, among others commented, it was emphasized that Vayrynen's speech lacked those qualifying words which Urho Kekkonen used in putting a neutral policy in proper perspective.

"He (Kekkonen) usually emphasized that Finland's neutral policy as well as the priority of relations between Finland and the Soviet Union are based on the YYA [Friendship, Cooperation, and Mutual Aid] Pact.

"Even the foreign policy leadership should not be presented with the demand that the same formulas be repeated in every speech. This happens enough as it is. But strict observers will easily draw the conclusion that the new definitions of a neutral policy in Vayrynen's speech may also include a precisely deliberated political expediency.

"Even though it is not correct to draw hasty conclusions as a result of Vayrynen's speech, on the other hand, it is quite natural that attention is given to these significant points emphasized in an important speech by a foreign minister as well as to the fact that an opening of the path to certain such West European economic associations in which so far it has not been considered that Finland can be included was a rather important subject of attention on the part of Finland's political leadership during the anniversary meeting.

10576
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POLITICAL

FINLAND

CP CHAIRMAN SAYS SKDL WILL PUT UP OWN CANDIDATE FOR PRESIDENT

Helsinki UUSI SUOMI in Finnish 28 Jul 85 p 7

[Article: "Vainionpaa Promises: SKDL To Have Own Presidential Candidate"]

[Text] According to Finnish Communist Party General Secretary Esko Vainionpaa, the SKDL [Finnish People's Democratic League] will nominate its own presidential candidate in the 1988 presidential elections.

Vainionpaa does not consider it self-evident that Mauno Koivisto will be a presidential candidate again in 1988. In Vainionpaa's opinion Governor Kalevi Kivisto of the Province of Keski Suomi [Central Finland] would be a suitable candidate for the SKDL inasmuch as he will be available in the next presidential elections.

According to the SKP's general secretary, who was elected last spring, it is probable that the party's minority wing or the so-called Taistoites [Stalinists] will form a new party next fall at the latest and will not go into the next parliamentary elections under the protection of an association of voters.

In an interview granted to ILTALEHTI Vainionpaa does not see any obstacles to government cooperation between the SDP and the SKDL. However, inclusion in the government is not now timely according to him and cannot become a reality before the 1987 parliamentary elections.

Vainionpaa considers that the decline in SKP support has bottomed out. He estimates that the party will achieve a 14-percent support rating in the next parliamentary elections. Over the long term he believes that the popularity of the Communists will once again rise to 20 percent.

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POLITICAL

FINLAND

STALINIST CP ORGAN ATTACKS PARTY'S 'RIGHTIST LEADERSHIP'

Helsinki TIEDONANTAJA in Finnish 14 Aug 85 p 2

[Editorial: "Breakup of Finnish Communist Party"]

[Text] Representatives of the rightist leadership of the Finnish Communist Party (FCP) have given to understand both in the nonsocialist press and in KANSAN UUTISET that their goal is to continue the breakup of the FCP this autumn by expelling from party membership entire district organizations which do not accept the policy of "historical compromise." The expulsions would begin in mid-September when the FCP Central Committee convenes for the first time after the summer.

According to a news item published by HELSINGIN SANOMAT--a news item that was not corrected in KANSAN UUTISET, which supports the party leadership--the rightist leadership group also intends to turn down an invitation recently extended by the Communist Party of the Soviet Union (CPSU) to the FCP district secretaries. The CPSU invited representatives of the FCP's 17 lawful district organizations to visit the Soviet Union at the beginning of this autumn. The invitation did not apply to the seven schismatic district organizations established by the party leadership in violation of FCP bylaws but only to those organizations about the lawfulness and legitimacy of whose existence unanimity prevails in the FCP. So extending the invitation does not by any means mark a deviation from the course of conduct followed by the CPSU during the entire time of the FCP's breakup: the CPSU has supported and supports only those measures which strengthen and unite the FCP.

If, on the other hand, the current party leadership does indeed turn down the CPSU's invitation, it will mean a radical albeit dreaded shift in the policy observed by the FCP during the entire period of its existence. Never before has the FCP leadership turned its back so openly on the improvement of relations between the CPSU and the FCP. It would be unparalleled not only in relations between these two parties but on a national scale. No other Finnish political group which is taken seriously any longer assumes an indifferent attitude toward these relations of vital importance to Finland, much less indicates its viewpoint by disparaging them openly and publicly. No matter what the party leadership's plans otherwise were, it would have grounds in this case at least for rejecting out of hand nonsocialist newspapers' speculations which harm the entire FCP and which are only increased by keeping silent.

The FCP has before it an autumn of momentous decisions. It is a time for consequences. Left in the shadow of the rest of the debate concerning the FCP is the fact that the current party leadership has already had more than a year to implement the policy it has wanted to. Up until the 20th delegate conference, the party leadership's chief explanation for the losses of the communist and people's democratic movement was the disunity in the party's leading organs. Since this "problem" has not existed now for over a year, then what is the party leadership's explanation for the ever deepening drop in support, for the decline in circulation of people's democratic newspapers, for the reduction of KANSAN UUTISET to five issues a week, for the nosedive in the circulation of KOMMUNIST, for the utter lack of initiative in policy, for the removal of cadres loyal to the party leadership from party activity, and for the opportunities of the Right to speculate on the upcoming monstrous defeats and the weakening of relations between the FCP and the CPSU?

It is indeed a time for consequences.

12327

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POLITICAL

FINLAND

CONSERVATIVE NEWSPAPER VIEWS DIVIDED CP'S RELATIONS WITH CPSU

Helsinki UUSI SUOMI in Finnish 16 Aug 85 p 2

[Editorial: "Finnish Communist Party in a Jam"]

[Text] Although the past summer has been a fairly dead period in Finnish domestic politics, the murmur in the party office of the Finnish Communist Party (FCP) has been enough. The party's majority-faction leadership has received many signals that the new leaders of the Communist Party of the Soviet Union (CPSU) will not approve the policy of last spring's delegate conference calling for the ouster of the Taisto Sinisalo minority unless it acknowledges by next autumn the majority's dominant position which is implied by party bylaws and (why not?) normal union democracy.

The series of CPSU signals began when PRAVDA reported on the commencement of TIEDONANTAJA's monthly supplement. The FCP leadership has not traditionally been invited to take a vacation in the neighboring country. Nor did Chairman Arvo Aalto receive an invitation to the Moscow festivities. The majority's number one representative there was Olavi Hanninen, but he pretty much took a backseat to Taisto Sinisalo and Jouko Kajanoja, who were introduced as the FCP's "noteworthy social functionaries."

Not even deep scrapes and bows in foreign policy have improved the position of the FCP leaders. At the Culture House, for example, they ended up demanding the application of CSCE security laws against a July demonstration by Baltic refugees, even though the FCP had opposed the entire set of statutes a moment before.

At the beginning of this month, the CPSU invited the chairmen of the FCP's district organizations to visit the neighboring country. Left without an invitation were--in addition to the FCP's national leadership--the heads of majority districts founded at the start of the year in regions dominated by the minority. In certain respects, therefore, the CPSU does not recognize them as brother organizations and is trying to form alliances with the immediate membership while bypassing the party leaders.

The majority is now pondering how to reply to the troublesome invitation. It is difficult not to accept it, but it would also be humiliating to comply with it. It may be hard to enter into negotiations, and the CPSU, of course, cannot easily

back out of an arrangement it has proposed publicly. It would be cumbersome to bring about some kind of new Tennila compromise.

The pressure has now been increased by new invitations which indeed follow the same line of making contacts directly at the district level. The editors-in-chief of 11 communist newspapers have been extended a welcome to Moscow. In the group are minority-faction organizational carbon copies but no representative of the main organ of the FCP and the Finnish People's Democratic League. The circulation of this majority--even to a large degree "ax-line"--newspaper might surpass the total circulation of all the invited newspapers.

The change in the Kremlin leadership has naturally raised questions about the CPSU's future course of conduct in the FCP dispute. Curiosity was increased early in the summer by the dismissal of Grigoriy Romanov from the Politburo. He was recognized both as a specialist in Finnish affairs and as a supporter of the FCP's minority.

It may now be clear that continuity characterizes the CPSU's relationship to the FCP, just as it characterizes the basic line of the rest of Moscow's foreign policy. The courses of procedure, on the other hand, may change, become more flexible. Aalto has not yet been openly condemned; one has been content with unmistakable signals.

It is, to be sure, difficult to figure out what the CPSU actually expects from the FCP's majority: complete submission or new trips to Canossa after scrapes and bows in foreign policy? Or will the CPSU, for its part, maintain the pressure until Sinisalo and his tenacious followers are ready to pick the ripe fruit of power? Especially when economic problems--in addition to political pressure--are bringing the majority to fruition.

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POLITICAL

FINLAND

STALINIST TAISTO SINISALO ATTACKS ALENIUS, HOLKERI

Helsinki TIEDONANTAJA in Finnish 15 Aug 85 p 8

[Commentary by Taisto Sinisalo: "Fortunetellers of the Future"]

[Text] Ele Alenius, chairman of the SKDL [Finnish People's Democratic League] socialists, has joined the broad circle of forecasters of the future and announces that he sees the beginning of a change in epochs. Scientific-technical development gives rise to new production relations, and the budding new period now requires a new socialist ideology. And with his book Alenius seeks it out and marks it off: revolutionary activity, the experience of practical socialism, and ideas which focus on class interest are discarded. For Alenius the new era is not the era of practical socialism.

A survey of Alenius's earlier model books--published in 1969 and 1974--on Finnish socialism shows that Alenius's loyalty to his ideal has been preserved. Along with the crisis of capitalism and the intensification of socioeconomic problems, Alenius's lack of faith in practical socialism seems to have grown and his optimism about capitalism to have increased peculiarly.

"Compared to socialism, the Western capitalist system seems at this moment to be in a strong position economically, politically and ideologically" (p 208). Alenius calls modern capitalism a welfare society to which belongs the "relatively undisturbed operation of political democracy in capitalist countries" (p 136).

It is logical that Alenius ends by asking: "...is the best opportunity for launching reforms to be found through continuous emphasis on conflicts and aggravation of opposite views?" And the answer is negative. Gradual progress, loftier ideological thinking, faith in the omnificent power of science, and a "mixed economy" are the key building materials in the new epoch of Alenius's vision. "It is my opinion that in the present stage of development the maintenance of a mixed economy system would be desirable from the standpoint of the entire society" (p 212).

News items about the "exhibitions of European thought" arranged in the Federal Republic of Germany circulated in the press early in the summer. At the Dusseldorf church fair 150,000 persons gathered for 2,300 various exhibits. There it was seen that "new ideas and ways of life are springing up in the melancholy twilight of European culture" (SUOMEN KUVALEHTI, number 25, 1985). But though it was a

question of a church fair, activity and a powerful criticism of society were the central foundation while seeking the new. "The problem of unemployment permeated the markets of opportunities as well as the lectures, the Bible lessons and the free performances..."

Criticism of existing conditions also raises its head in Finnish social research. Jorma Sipila, a professor of social policy in Tampere, declares that "the national project of the welfare state has ended, and no new major scheme has taken its place...This nation is no longer in the process of doing anything else but preserving its competitiveness."

Sipila's book "Sosiaalipolitiikan tulevaisuus" [The Future of Social Policy] (Tammi, 1985) has already been discussed earlier in TIEDONANTAJA. On the one hand, Sipila keeps warning somewhat inconsistently that "the political helplessness of ordinary people makes them the docile sacrificial lambs in the structural chaos of the 20th century" (p 64), but on the other hand he predicts that riots and hooliganism are on the way because "establishment of an economic foundation for all citizens has failed" (UUSI SUOMI, 8 June 1985).

In a situation such as this, the ability of the labor movement to lead the way and reject adaptation to existing circumstances is one of the central social issues. Eero Silvati's KANVALEHTI article (number 5, 1985) concerning the development and platform issues of the Finnish Social Democratic Party is graphic proof of the sort of visionlessness into which one who has previously borne the flag of radicalism can drift. "In the opinion of some investigators, there are grounds for speaking about the end of an entire political era," states Silvati in the manner of Alenius. "What is ending is the era of the politics of partition...And the issue is to be explained with very simple observations, and from now on the good life is not safeguarded by opposing rather than urging all kinds of change." Let us slowly paddle the quiet waters of a failed goal, states Silvati.

Alenius's book has received the active attention of another bank director, Harri Holkeri, first in TURUN SANOMAT and later in SUOMEN KUNVALEHTI. Holkeri praises Alenius for recognizing the ability of the capitalist system to grow. Since Alenius builds his book on the denial of the central position of social conflicts in social reform work and on the repudiation of the experience of practical socialism and the significance of Marxism/Leninism--the rejection of revolutionary activity--his book functions as a bearer of the labor movement's pessimism and visionlessness, even though it is formally framed around the topic of the development of socialism's ideology.

Alenius himself debates whether his viewpoints are utopistic! This question is not as essential as the fact that Alenius strives to accommodate the utopias and ideals to the framework of the current social system. Social progress is possible, however, only by subverting capitalism's power and production relations; social advancement in the world bears witness to this. The struggle against monopolies is a law of the progressive social movement.

For very many forecasters of the future it appears to be overwhelming to see this corroborative experience of the possibility of social progress in the

development of practical socialism. In a close examination of the outlooks for advancement in both various socialist countries and in CEMA, it was demonstrated in many ways during the summer period that the achievements so far of practical socialism are the basis on which new progress, more rapid and more suitable than before, will now be constructed.

In all comparisons from various fields of economic and social development, socialism's victorious onward march is seen in the competition between the two systems. For example, national income in the CEMA countries has nearly doubled since 1970, while growth in the EEC countries has been roughly 20 percent. Growth in the CEMA countries during the first half of the 1980s has been approximately in the 3 percent range, while it has remained at the 0.3 percent level in the key capitalist countries. The figures comparing the Soviet Union and the United States are particularly interesting. Since 1971, the Soviet Union's national income has increased more than 80 percent, industrial production roughly 100 percent, and work productivity more than 60 percent. The corresponding figures in the United States are slightly more than 40, 40 and 22 percent.

Just as the myth of the Western crusade to overthrow socialism contains an historical impossibility, so the confidence in seeing and the desire to see the authentic development of practical socialism contain the foundation for optimism about the future. He who does not secure himself firmly in this will make mistakes in his predictions about the future.

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POLITICAL ..

FINLAND

STALINISTS WARN CP MODERATES AGAINST 'DISCRIMINATION'

Helsinki HELSINGIN SANOMAT in Finnish 27 Aug 85 p 9

[Article: "Minority Warns Majority About Consequences of Decisions to Dismiss"]

[Text] The minority communists are appealing in a firm tone to the majority leadership of the Finnish Communist Party (FCP) to forgo the dismissal--scheduled for the autumn--of Taisto Sinisalo districts from the party. They warn that the decision will lead to the electoral dissolution of the communists.

According to minority leader Taisto Sinisalo, the majority members will approve at a Central Committee meeting to be held in mid-September a questionnaire which will be sent to the minority districts. In the minority's view, the questionnaire is in fact an ultimatum to cease parallel activity. As far as is known, the responses will be ready in a couple of weeks.

"The Central Committee will then decide in October on the basis of the responses whether the eight (minority) districts will be dismissed from the party," predicted Sinisalo on Monday in Helsinki.

"A firm attempt (at dissolution) has now been made, and the schedule is tight," Sinisalo went on to state.

According to Sinisalo, the representatives of minority districts and of party organizations grouped around the newspaper TIEDONANTAJA who gathered last weekend did not decide what response would be made to the majority's questionnaire. A joint response will be given in due course, however; a separate one will not come from each minority district.

Esko Vainionpaa, the current first secretary of the FCP and a member of the majority, admitted on Monday that in September the Central Committee will deal with the termination of parallel activity, and the minority districts will be asked for an explanation. "The measures will depend on their responses," stated Vainionpaa.

Vainionpaa did not want to mention the precise timetable for the questionnaire or the decisions to dismiss. "There is indeed reason to make the decisions this autumn, however," he said.

"Dissolution Threatens"

The dismissal of the minority district organizations would be fraught with consequences for the party's election work, according to Sinisalo.

"The path to electoral dissolution runs through dismissal of the districts," he warned.

According to First Secretary Vainionpaa, the communists' unified election work is still possible in principle. "In our opinion, however, two political movements in competition with each other in the same electoral alliance would not be unified election work," Vainionpaa pointed out.

In mid-October, when the Central Committee will possibly decide on the dismissals, there will be a meeting of the members of the minority in Lahti. According to the Sinisalo leaders, it is merely a matter of a demonstration and a festive occasion without any special organizational goals.

"Anyhow, it takes place at a rather interesting time," observed Sinisalo.

At the conclusion of their get-together last weekend, the minority members formulated a bunch of statements in which the main attention is focused on party unity. With particular emphasis, the minority members make an appeal on behalf of a joint electoral alliance of communists.

A statement also calls on the membership to urge the party leaders to accept the invitations extended by the Communist Party of the Soviet Union (CPSU).

The CPSU has invited the representatives of the party's district organizations to Moscow but has snubbed the new district organizations which the current leadership established alongside the minority districts. The communists' local district newspapers have also received an invitation, but the party's main organ, KANSAN UUTISET, for example, was left uninvited.

The invitations are troublesome to the present leadership, and no response has yet been made to the fraternal party in the East. "We are continuing to work on the matter," reported First Secretary Vainionpaa on Monday.

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POLITICAL

FINLAND

KEKKONEN'S DEALINGS WITH SOVIET LEADERS DESCRIBED

Helsinki SUOMEN KUVALEHTI in Finnish 29 Jul 85 pp 26-30

[Article by Lauri Haataja: "'Demand for A Workers' President Is Factionalism'"]

[Text] Relations between the Communists and Urho Kekkonen were nearly aggravated to the breaking point after the 1962 presidential elections. Only after the Kremlin became involved did the SKP [Finnish Communist Party] enter into an election alliance which brought about the reelection of UKK [Urho Kalevi Kekkonen].

Soviet foreign policy became more active after Stalin's death and accomplished a reevaluation which resulted in a major political thaw. Many of the questions left open after World War II received a political solution during that period. The Soviet Union attempted to create a collective security system in Europe to alleviate the strict division brought about on this continent by the various camps and the Cold War. At the same time it wanted to draw closer to Scandinavia and develop friendly relations with the Nordic countries.

Definite signs of this could be observed in the summer of 1955. The severe criticism directed against joining the Council of Nordic Countries by Finland's Communists subsided when Sweden's Communists declared the council as a tool for peace. Ville Pessi defended the new attitude by assuming that Finland's membership in the Nordic Council would be approved on the part of the Soviet Union as long as it would not harm relations with the East. "As far as the degree to which the SKP considers the Soviet Union's or CPSU's position is concerned, it is completely evident that the SKP's stand is and will be in agreement with the stand of the CPSU."

The more active policy of the Soviet Union was also reflected in the reevaluation of the Social Democratic movement. After 1954 Social Democratic leaders in the West began to receive invitations to Moscow one after another. This also applied to the Finns, but only Vaino Leskinen and K-A. Fagerholm accepted the opportunity to enter into discussions with Soviet leaders. In the beginning of 1954 the SKP renounced the policy by which it was intended to bring an end to the organizational independence of the Social Democrats.

Leading Communists everywhere observed how the situation was developing in Finland. Here the strategy of cooperation seemed to achieve better results than in other capitalist countries. The Communists were able to break out of the cocoon of the dogmatic era, acquire an influential position in joint organizations of the workers' movement and national politics, and succeed in resolving the presidential competition between Urho Kekkonen, J. K. Paasikivi, and Fagerholm.

However, cooperation achieved the best results within the SDP. The situation is depicted excellently by the final clarification of the Workers' Sports League's congress at the Social Democratic Party congress in 1955. Leskinen's supporters came to request written proof from the SKP's leadership that Skog's supporters had been in cooperation with the Communists. "How could we do such a thing since we had cooperated with both factions," answered Hertta Kuusinen. "You could have written to both of them," said Janne Hakulinen, whose cooperation with the Communists had already acquired solid forms.

Also Leskinen's supporters as well as Skog's supporters negotiated separately with the Communists in the nomination of candidates and in the course of the presidential elections themselves. They, for their part, developed the SDP's dispute in the direction of an open and complete organizational party split. The objective of cooperation was cooperation, the uniting of the forces of the working class behind SKP policy.

The policy succeeded in the beginning. After the general strike the SAK [Finnish Confederation of Trade Unions] adopted some tough resolutions, the demand for the accomplishment of which was sufficient as a content for the trade union work of the Communists and which brought relations between the SAK and the Social Democrats to the breaking point. After the presidential elections the SKP evaluated its relations with the RKP [Swedish People's Party] and the People's Party in a new and positive manner. The strategy of cooperation continuously presented new opportunities. Even the Conservative Party, which had previously been explained as a representative of the class enemy and the blackest party of the monopoly bourgeoisie, began to appear suitable for cooperation.

At the end of April 1956 Hertta Kuusinen brought up the idea that "at some point" even the Conservative Party should be reevaluated, an idea which O. W. Kuusinen had already mentioned. All signs point to the fact that Vaino Tanner would also have been reevaluated if he had adopted a positive attitude toward workers' cooperation. But Tanner turned his back on this political opportunity and instead supported a "broad-based" government, in which there was room for everyone except the Communists.

CPSU Attempts to Save SDP

In the spring of 1957, just as the government problem was coming up on the horizon, Ville Pessi's SKP delegation travelled to Moscow to negotiate with representatives of the CPSU Central Committee. The trip was connected with preparations for Nikita Khrushchev's and Nikolay Bulganin's forthcoming visit to Finland, but the negotiations also dealt with broader Finnish and Soviet relations.

The SKP had laid the foundation for its trip by sending a letter to the CPSU Central Committee, in which it was mentioned that some unfortunate cracks had appeared in Finnish and Soviet relations since "recently reactionary elements have increased their attacks against the Soviet Union". Now joint measures were to be considered for the purpose of restraining this propaganda.

The comrades in the CPSU considered that attention should be given to the circumstances mentioned in the letter. Above all, there was reason to become involved in the anti-Soviet propaganda of the reactionary elements. The CPSU's representatives promised that the Soviet press and radio would take note of these circumstances in accordance with what the SKP had presented.

After the trip by Pessi's delegation, the Soviet media paid close attention to anti-Soviet propaganda and the actions of right-wing spheres, particularly in the workers' movement. The Finnish press, which, for its part, was forced into a direct battle of words with the Soviet Union in its attempt to support freedom of speech, was, in particular, placed on the firing line. The situation remained as such until the parliamentary elections in the summer of 1958 and the government solution at the end of summer, in which Kekkonen appointed Fagerholm to lead a broad-based government. It included all the parties except the SKDL [Finnish People's Democratic League].

It has been proposed even in articles meant to be serious and in foreign policy debates that this propaganda war supposedly brought about that Soviet distrust which took away operational conditions from Fagerholm's government.

The explanation that two members of the government mentioned by name -- Leskinen and Olavi Lindblom -- caused the government to fall into disfavor by their presence is just as amusing to an observer familiar with political theory.

Anyone can confirm for himself from Soviet comments in the years 1957--58 the fact that the point of criticism was directed at individuals or factions mentioned by name and not at parties or social institutions in themselves. The procedure was completely in accordance with the strategy of cooperation. Its purpose was not to blacken, slander, or eliminate political leaders, but to promote cooperation. And in this light it is possible to understand Khrushchev's statement that not one single malicious article had been written about Finland's conditions in the Soviet Union. The articles were published with good intentions. For example, the labelling of SDP leaders Tanner, Leskinen, Lindblom, and Kaarlo Pitsinki as schemers and ones who would change foreign policy was intended as a measure to save the SDP as a party and even ensure its independence for cooperation with the SKP. And the use of the names of these individuals as examples serving as a warning did not even mean that they were not in the final count suitable for cooperation. The main thing was only that they learn to understand its importance.

A Disobedient Kekkonen

A good beginning in the matter of cooperation stimulated the Communists to continue. Foreign comrades gave high marks to the achievements of the SKP, and

even Ville Pessi was optimistic with respect to the party's opportunities. "The opponents' camp is now in disarray," he stated during the 1957 celebrations of the October Revolution. "If we could now obtain a few additional seats in parliament, it would provide better opportunities to mount a successful struggle on behalf of workers' rights and their position."

The Communists were pressuring the Social Democrats, the Agrarian League, and the president to take them into the government ever since the spring of 1957, and in this sense threatening statements were made as to how foreign policy was being changed in a dangerous direction.

O.W. Kuusinen encouraged Finnish comrades to tighten up policy during the 1957 commemoration of the October Revolution: "You must give serious consideration to the fact that your chief opponent is, indeed, the right wing, thus the leadership of the Conservative Party, and the Tanner-Leskinen group along with it. They are the ones to whom you should be giving the most attention."

Kuusinen stated further that a tougher attitude should also be adopted toward the Agrarian League, especially in foreign policy questions. "You must be stricter and apply more pressure and you must not ignore anything."

During the election campaign the Communists even suggested that the Leskinen group had joined with all its force in the Conservative Party leadership's attack against the Communists. Likewise, the Agrarian League, "especially Kekkonen junior", talked about preparations for a severe criticism of the SKP.

The Communists considered it possible that after the elections in the summer of 1958 the People's Democrats, Skog's group, and the Agrarian League would form a government. This position they also presented to the CPSU Central Committee already before the elections. For domestic policy reasons the government was, however, formed by all the other parties except the People's Democrats. The situation was made intolerable by the fact that parliament had a Socialist majority and the SKDL made up the largest single faction as a result of the elections.

The strategy of cooperation had suffered a setback on the threshold of its greatest victory. It could not help but have an effect on the other aspect of this strategy, peaceful coexistence.

Two days after the appointment of Fagerholm's third government the SKP Central Committee held its 40th anniversary session. A greeting sent by O. W. Kuusinen was read at the meeting. "Evidently Finland's relations with the Soviet Union are still not as good and the influence of Communists and other People's Democrats on the country's policy is not as strong as they should be since O. W. Kuusinen did not consider that he could come here personally," stated Kuusinen's daughter, Hertta.

The misunderstandings that occurred in the denial of Kuusinen's visa have been treated in Max Jakobson's work, "Veteen piirretty viiva" [A Line Drawn in the Water], among others. He does not, however, bring up the fact that the obstacle to Kuusinen's trip was in the final count the president of the republic.

The Communists, at least, received this impression even though Foreign Minister Johannes Virolainen categorically denied Kekkonen's role in the matter. The Communists also considered it Kekkonen's fault that Eino Kilvi's attempt to form a government failed. "Kekkonen did not listen to our decision," said Hertta Kuusinen bitterly.

Later after Fagerholm's government resigned Kekkonen delivered a speech in which he declared that he would accept responsibility for what happened. He also accepted the formation of a new government as a personal obligation.

Due to a lack of sources it is still impossible to state whether the president ever realized that the night of frosts was fundamentally the result of the fact that the Soviet Union only supported the cooperative tactics of the Communists within a framework according to the principle of peaceful coexistence, which did not allow a neutral country to become derailed from the foreign policy track. In any event Kekkonen's regal idea of protecting his foreign policy line from the pressures of extreme right-wing as well as left-wing parties was based on a train of thought familiar from this tactic. Those forces which were prepared to support the president's policy had to be brought out of the parties. Through this tactic official foreign policy in the end received the recognition of all the parties.

Lenin's Importance Growing

In their interpretations of the diplomatic note crisis Jakobson and H. P. Krosby have relied on the hypothesis presented in the American Robert N. Slusser's research concerning the Berlin crisis, according to which Khrushchev and his supporters were compelled to make concessions to representatives of the hard line at the 22nd Congress of the CPSU.

Previously presented interpretations do not, however, explain what that hard line, which won out at the meeting, actually was. This secret is clarified by reading speeches delivered later.

Khrushchev emphasized in the report on the activities of the Central Committee that the peace policy, which the Soviet Union had promoted, had given the forces of peace and socialism an upper hand over the forces of imperialism and war. "We believe that in the competition with capitalism socialism will be victorious. We believe that this victory will be achieved by means of peaceful competition and not war. Our position is and will be peaceful coexistence between countries with differing social systems and we will make every effort to strengthen peace."

In directing his words to the so-called anti-party group, the supporters of Molotov, Khrushchev defended the necessity of peaceful coexistence by pointing out that "the might of the socialist world order is now greater than ever before, but this is not understood by incurable dogmatists." The hard line had criticized the CPSU leadership of simplifying and moderating the appraisal of the international situation.

Khrushchev proposed straight out that the members of the anti-party faction assess certain international questions differently than how the 20th Congress in 1956 and the other Marxist-Leninist parties have done. "They do not see those opportunities which exist in the joint struggle of the socialist countries, countries liberated from colonial oppression, and the peaceful forces of neutral and other capitalist countries against the forces of imperialism and for the prevention of war as a result of the prevailing international situation.

Khrushchev presented a 20-year program for the building of Communism, and it prescribed quick action for conquering imperialism. Allies were to be won over to this work for the good of the cause just as quickly as Finland's Communists had done while in the final count evaluating that all parties are suitable as government partners for accomplishing a peaceful transition to socialism.

O. W. Kuusinen stated in an ideological speech that the achievements of the Soviet Union and the whole socialist world order, the worsening crisis in world capitalism, the growth of the influence of communist parties among the masses, and the ideological bankruptcy of reformism had essentially changed the conditions of the class struggle in favor of the workers. There is not even any doubt that this analysis was based securely on Finnish experience. The achievements of peaceful coexistence and cooperation had advanced the furthest here. Only a joint government was lacking and Finland could have been considered as an international model country of the path to socialism presented at the 20th Congress of the CPSU. "Revolutionary development is always and in the first place the result of the internal development of each country."

President Kekkonen's assurance "even if all of the rest of Europe became communist, Finland would remain a traditional Nordic democracy as long as the majority of our people wants this, as I believe they do" presented to Khrushchev against this background in September 1960 and again during the diplomatic note crisis meant a direct challenge to Khrushchev's creative interpretation of Leninism.

V. I. Lenin's tough application of the strategy of revolutionary struggle and his teaching on imperialism, which was reiterated by Stalin, Andrei Zdanov, and Vyacheslav Molotov and which emphasized the political power advantage and security policy of the Soviet Union suited the neutrality promoted by the president much better than the Khrushchev doctrine. Due to a lack of sources it is impossible to say that Kekkonen perceived this already under the conditions of the diplomatic note crisis, but his repeated statements on Lenin's importance as the protector of Finland's independence point in this direction.

The sending of the note to Finland and the emphatic presentation of Finland's relations with the East as being based on the YYA [Friendship, Cooperation and Mutual Aid] Pact meant precisely that the Soviet Union recognized only a legitimate security interest for itself with respect to Finland. It limited the objectives established for Finland's position and development. It was sufficient that the Soviet Union could trust in Finland in the manner presented by Stalin and Zdanov.

Identity Crisis

The new interpretation had a direct effect on Finland's domestic policy also. Soon after the note crisis Ahti Karjalainen formed a broad-based government, which did not include Communists. They were amazed in the SKP. The party's position of primogeniture was eliminated with one sweep. The thrust was taken away from the work of the Communists after the 1962 elections and they adopted a rather rancorous and bitter attitude toward Kekkonen.

As the general secretary of the SKP Ville Pessi ended up in a sad predicament since "a certain amount of bitterness appeared for the reason that the note supported Kekkonen's position". It was a correct assessment. Aaro Uusitalo, the party's former chairman, was, however, able to offer the following consolation: "One must only trust in the fact that the CPSU knows how to lead -- one cannot influence it."

Hertta Kuusinen, for her part, brought up the fact that previously Communists were able to have a "considerable influence" on changing Finland's foreign policy in a positive direction. The resolution of the note crisis and Kekkonen's reelection without the cooperation of the SKP made the situation very difficult. Now negotiations were conducted with the Communists only in exceptional cases, such as the farm income bill. Their political influence on domestic policy was reduced.

"The negotiations conducted in Novosibirsk as a result of the note helped Kekkonen -- who knew how to milk every drop from them for the benefit of his own propaganda -- to create the halo of a national savior around his head," said Ville Pessi to his own people already in April 1962. His words betrayed the bitterness which appeared after the Soviet leadership gave its unreserved trust to the president's foreign policy. Political relations became a serious problem from the point of view of the SKP's identity. The Communists did not quite know how to explain to the masses what the question exactly was in the presidential elections and in foreign policy. Everything had seemed brighter during the time of the Honka League. Even O. W. Kuusinen commented to Chairman Aimo Aaltonen: "If you do not win while Tanner is making the preparations, then you are, indeed, incompetent."

The SKP's attitude toward Kekkonen's foreign policy and toward the president himself was still sufficiently bitter in 1965 that many Soviet comrades felt compelled to explain their country's attitude toward Finland's leader. The arguments produced results since after this even Hertta Kuusinen recognized Kekkonen's merits as the stabilizer of Finland's policy.

"Certainly, the Soviet comrades understand that the Communists and real democratic forces are a decisive factor, but the stand taken on this policy by the government and the chief of state is of such importance that they cannot help but be friendly and polite and give recognition even to Kekkonen, and we probably do not have cause to propose that they change their attitude." According to Kuusinen, the CPSU's stand meant that the SKP was to promote a policy of friendship and try to persuade statesmen and different parties to work on the same tasks.

The Moscow meeting did not, however, bring a solution to the fundamental theoretical-political problem of Finland's Communists. The background force behind President Kekkonen's policy of friendship continued to be the local bourgeois parties. Since they supported the correct policy, the cry of class enemy could not be raised against them. In an extensive report compiled for the CPSU the SKP could only draw attention to the appearance of right-wing elements outside of the country's borders. An open domestic policy criticism would in the final count have been directed against President Kekkonen and his foreign policy line.

Should Kekkonen Be Overthrown?

The change of government direction and a return to the people's front in 1966 meant a radical departure in Finland's domestic policy. The SKDL and the SDP, which became a majority in the government, were not among Kekkonen's parties in 1962 while, on the other hand, the right wing which supported Kekkonen at that time was now in opposition.

The renaissance of left-wing cooperation also in and of itself raised the idea of electing a workers' president even though the SDP's policy revision did not yet fully convince the SKP's leadership. The idea seemed realistic on the basis of the support figures in the parliamentary elections. The Communists even expressed the hope that parliament could conduct the presidential election. The rank and file, which had become enchanted with workers' cooperation sent out the message that the masses at least will not be out pasting up pictures of Kekkonen.

In June 1966 a delegation of the SKP led by Ville Pessi complained to representatives of the CPSU, Leonid Brezhnev, among others, that the presidential elections would lack enthusiasm unless greater program goals could be attached to them. "The demands for the election of a workers' president indicate a kind of factionalist thinking in the present situation," was the reply, however, from the Kremlin's comrades to the Finns' plans. Indeed, even in the opinion of the Soviets, it should be made clear to Kekkonen that the SKP will not automatically support his reelection, but will also set down conditions for such support.

Nevertheless, the SKP's rank and file exhibited a forceful workers' radicalism, which criticized the party's leadership for joining the large election alliance. The party section at Turku Shipyard issued a proclamation in which amazement was expressed as to why a worker could not be elected president in Finland since this was possible in the Soviet Union. General Secretary Pessi did his best to explain that there is still an essential difference between Finland and the Soviet Union. "Indeed, we can elect a worker as president, but we all know that it is not yet possible in these elections. The present president of the republic is the best candidate in these elections."

After the electoral elections the CPSU Central Committee sent congratulations to the SKP on the occasion of the great victory of the election alliance. "It may perhaps seem excessive to some comrades, but the comrades considered this

to be, above all, a political victory of political significance," explained Ville Pessi while the modest success of the left wing was still making his heart ache.

Urho Kekkonen had ensured the support of all the people for his foreign policy line. In the middle of April 1968 a delegation led by the SKP's general secretary travelled to Moscow and presented the cautious assessment that not being a member of the EEC would be a disadvantage for Finland. Leonid Brezhnev no longer had any time to meet his Finnish comrades.

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POLITICAL

FINLAND

KEKKONEN'S ROLE IN FOREIGN POLICY EXAMINED AT CONFERENCE

Helsinki SUOMEN KUVALEHTI in Finnish 29 Jul 85 pp 54-56

[Article by Tuomo Lappalainen: "Talk About Letters from the Mill"]

[Text] There is much to talk about regarding Urho Kekkonen, but there is little to be said. So little that the biggest sensations at the Orivesi Seminar were found from the archives of the SKP [Finnish Communist Party], Jukka Tarkka's brains, and Johannes Virolainen's collection of letters from the mill.

Can Urho Kekkonen's life's work be adequately studied when the subject himself is still living and only a few years separate his term in office from the present day and the majority of researchers does not even have the slightest hope of gaining access to the former president's private archives.

The Kekkonen seminar, the second in order of Orivesi's summer, demonstrated that the political researchers have solved their problem by making a theory out of Kekkonen. They have progressed rather far in combining the president's acts into a broader entity. On the other hand, new information about the Kekkonen era comes out very slowly. The confidentiality of archives is sufficient as a partial explanation, but his contemporaries clearly want to keep more sensitive matters in their own domain.

Already during his presidential term Kekkonen was a man of dozens of definitions, and it seems the situation has not changed in this respect. Sometimes the traits seem to be even contradictory. A strict member of the bourgeoisie turns into a defiant radical overnight, a watchful conformist to new situations becomes a stubborn no-sayer.

The confusion of positions is not, however, the fault of the researchers, but of Kekkonen himself, whose intellectual mobility is shackled to a few adjectives only with difficulty. Moreover, the president's interest in the most varied areas of life resulted in the application of mutually differing methods in different areas of politics. Urho Kekkonen was different as a foreign policy leader than as a mover of domestic policy, and neither one adds up as Kekkonen the pioneer of cultural policy.

Seeker of Advantages?

Doctor of Political Science Jukka Tarkka pursued an assessment of Urho Kekkonen's career development, according to which the former president was a tenacious climber if this, however, is ranked with the fact that the 1956 election results were mere good luck for Finland.

Kekkonen was a seeker of advantages, in whose maneuvering matters of form could recede as the situation demanded, which gave one or another cause for moral indignation. He used elbow tactics to develop his career, which caused many, for example, to believe in the so-called made-to-order theory in connection with the Soviet note in 1961 even though there was little evidence to demonstrate the reality of this.

Tarkka, however, considers it pertinent to point out that the president's pursuit of advantages was not just concentrated on the promotion of his own career. On the contrary, it was frequently turned into a concern for state interests and into an ability to reject Soviet demands when they were completely in conflict with Finland's interests.

The question of war guilt, joining the Council of Nordic Countries, integration into Western free trade markets, and lastly the rejection of Defense Minister Dimitri Ustinov's proposal of joint military exercises are all examples of a resolute Kekkonen who was in the final count able to make experienced Soviet leaders consider that Finland's objectives were also in accordance with their own interests.

If nothing else worked, Urho Kekkonen was also able to speak sharply without shaking Soviet trust in Finland. This was possible by making it clear that Finland is acting solely on its own initiative and not, for example, as a stooge of the Western countries.

A Power Grabber?

When Kekkonen's list of sins is enumerated, the new division of state power put into effect during his second presidential term is generally placed at the top of this list.

It is completely true that Urho Kekkonen frequently interfered in matters in which he had no business at all according to the letter of the law as prescribed by the constitution. It is just as undeniable that a strong president perceptibly weakened the position of parliament.

But this coin also has another side, stated Professor Osmo Apunen. If the president remains silent, parliament's and the prime minister's stock will, indeed, go up. Then, correspondingly, the president will become weak. Over a period of time he will be left out of the management of affairs or will cause mere confusion with his enigmatic position.

According to Apunen, in the situation prevailing after the diplomatic note elections Urho Kekkonen found those methods by which he was able to liberate

the president from the feeling of powerlessness caused by the isolated position. At the same time the more extensive approval of the domestic policy foundation of foreign policy was strengthened.

There were two means. The doctrine of national interest raised a part of politics -- above all, foreign affairs -- above party oriented antagonisms, at which time the president was freed to manage them under his own conditions. Even his appointed foreign ministers often remained on the sidelines as the chief of state opened up direct communications from Tamminiemi to the official leadership on Ritarikatu.

With the help of letters from the mill Kekkonen was, on the other hand, able to participate in daily politics, argue his own points of view, defend himself against accusations, and sometimes even deal harsh blows to his opponents. In Apunen's opinion the correspondence of Kekkonen's first two terms reveals, above all, a combative chief of state.

Kekkonen's public participation in the life of the state clarified the making of politics. At the same time, however, there arose the danger that the president's opinion would be accepted as the official truth. Since the president does not have any parliamentary responsibility at all, his actions inevitably remain beyond the reach of political criticism. For lack of anything better, criticism was in the final count directed against Kekkonen's aides.

At no point did Kekkonen ever become the prince who had all the strings of domestic policy in his hands. In retrospect there has been a tendency rather to exaggerate than underrate the president's power, as Professor Jaakko Nousiainen pointed out.

On the other hand, less emphasis has been placed on how difficult it is to cross the limits the Finnish system of government places on the aspirations of even a strong president to influence domestic policy.

The constitution rigidly defines the president's rights and limits of power, but leaves matters outside of their jurisdiction just as clearly to his own decision making arrangements. The abundance of small parties gives him room for tactical movement, but cuts off his political ties. The political culture makes a national authority of him, but requires him to remain distant from the daily game of politics.

Nousiainen has come to the conclusion that Urho Kekkonen in spite of everything remained outside of the new politics as well as the administrative and preparational machinery based on professional representation.

"He built channels of communication and mechanisms of influence, but he was not able to change Tamminiemi into the operational center of government politics. He used his former party for the purpose of control, extended his influence to others, and finally bound them as a fortification of the presidency, but everything had to occur covertly.

"Finland's president does not play behind the scenes, does not make party policies, and does not scheme. When the president of the United States or France emphasized their personal leadership and merits, Kekkonen had to under-rate his domestic policy influence and achievements in public."

A Tamer of Parties?

The concept according to which the parties were only freely directed tools for Urho Kekkonen is, however, a surprising generalization.

According to this interpretation, Urho Kekkonen tamed the Communists, kept the Center Party in his pincers, and finally wore down the Conservative Party, which was ripe for government. Enticing official appointment packages, among other things, helped persuade the Social Democrats to support Kekkonen's policy according to a recent statement by Paavo Lipponen.

There is probably some truth to this allegation as far as the Agrarian League--Center Party is concerned. The president had a decisive influence on the changes of party chairmen, and the Center Party did not appoint ministers without listening to Urho Kekkonen's preferences according to the assumption of Professor Olavi Borg. The dissenters, those who dared to come out against the real leader in spite of everything, were discreetly moved further to the side.

The Communists, on the other hand, were not at all considered to be mere tools of the president. Chairman Aarne Saarinen himself denied that he was "in Kekkonen's pocket" and would not consent to assess whether Kekkonen succeeded in making the Communists conform to the prevailing capitalist system. Saarinen categorically rejected Erkki Tuomioja's suspicions that Kekkonen took the Communists into the government in order to destroy the SKP's support.

On the basis of the facts presented by historian Lauri Haataja, who has studied the SKP's archives, it seems rather that instead of the president swaying the Communists, they were swaying him. For example, the Joint Finnish-Soviet Economic Commission was not established until the SKP had proposed a corresponding organ at the party level. Likewise, electrified railroads, the construction of atomic power plants, and the delivery of gas pipelines were brought up for the first time in the negotiations of the SKP's and CPSU's delegations.

Perhaps one can think that the fundamental reason for Kekkonen's accommodation of the Communists was the same phenomenon which persuaded him to sympathize with young intellectual radicals and which Erkki Tuomioja defined as the president's "calcification to the left".

Urho Kekkonen, who was furthest to the left in 1960s, attempted to integrate the generation of the 1960s into society while also expressing a genuine interest in the ideas presented by them -- and in addition even laughed along with others at satirical songs derisive of Mannerheim.

Machiavelli or Allardt?

Among the professors, Jaakko Nousiainen considered that the Orivesi Seminar had become primarily a form of entertainment with its recollections and news bombs even though, as far as is known, there was no objection to the consensus. Does the allegation mean that there is a greater danger of succumbing to insipidness in the popularization of the study of Kekkonen?

The understanding of the present research situation by politicians who have personally experienced the Kekkonen era left a somewhat positive impression, which was, indeed, surprising.

Harri Holkeri, who answered Nousiainen, noted that the presentation of the research results in an entertaining form does not at all mean a negation of their possible merits. Johannes Virolainen, on the other hand, declined as a "layman" to debate the drawbacks and merits of a Kekkonen theory in more detail, but admitted that the study is on the "right track".

The most critical observation was heard from Pauli Burman, the former chief editor of SUOMEN SOSIALIDEMOKRAATTI, who from the experience of a professional considered the presentation of Kekkonen as an omnipotent prince to be more in the style of journalism than a scientific research work.

"We are now more a prisoner of Kekkonen than his contemporaries were. Urho Kekkonen has been unnecessarily mystified, and thus a realistic picture of him is not being created. It is not seen that, after all, there was more of the Allardt in him than Machiavelli and as a political leader he was not exceptional other than for his talents. Above all, he was a great realist with respect to structural changes in society," stated Burman and continued:

"I would tell the researchers to keep Kekkonen in proper perspective and as he actually was."

In addition to the political scientists, the president's old colleagues are also diligently trying to find the proper perspective and scale from day to day. According to the most recent information, among this group Eino S. Revo's book on Kekkonen will be on the market at the beginning of October. Johannes Virolainen has just completed a manuscript for a new book of memoirs, which already has a title that says a lot: "Presidentti yhdellä äänellä" [A President with One Voice].

The host of Vironpera had one objection to the outcome of the seminar. Jukka Tarkka's interpretation of the erroneousess of the 1978 proposal regarding a Nordic nuclear free zone received strong condemnation from veteran politicians:

"Peace initiatives are always timely."

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POLITICAL

GREECE

'BIG-SMALL TROIKA' ALLIANCE SEEN DANGEROUS TO PAPANDREOU

Athens I VRADYNI TIS KYRIAKIS in Greek 18 Aug 85 p 22

/Article by Titos Athanasiadis/

/Text/ It seems that from September on PASOK will go from its period of "oligarchy" to the period of "absolute monarchy!" Mr A. Papandreou is reportedly decided on to put an end to the dominance of the "troika" in the party executive office and in the party mechanism and to concentrate in his own hands all authority, thus imposing a sort of personal regime.

This decision which has been occupying the PASOK leader for some time now --shortly after the elections he had stated that most of the executive office members would not participate in the government-- was made definite during the past few days and will be announced --as everything indicates-- to the party central committee conference that will convene in Athens during the first days of September.

According to reliable information and estimates of political observers who closely follow PASOK events, Mr Papandreou reportedly has decided, with the opportunity offered by the executive office reshuffle, to remove from it those cadres who have "rebelled" and who in the future --and especially at the time of succession--might create problems for him.

These officials are Messrs Tsokhatzopoulos, Gennimatas and Laliotis, as well as those who are influenced by them, namely Vaso Papandreou, P. Moralis and D. Rokos. Also, Mr Simitis, although his promotion to minister of national economy has raised his "stock" in the party.

These seven officials are also participating in the secret war being waged in PASOK's behind-the-scenes for the succession of Mr Papandreou when the time comes for him to set in motion other plans of his for attaining a higher office....

However, there are four heirs apparent. They are the members of the all-powerful troika and Mr K. Simitis. But while Mr Simitis is alone, the members of the troika, even though each one is for himself, have decided that whoever has been chosen by them will have the support of the others, as well as the support of Vaso Papandreou, Moralis and Rokos who make up the "small troika."

These various moves have come to the attention of Mr Papandreou who knows, and who has complete experience from the government reshuffle, that he cannot do what he wants in the executive office since he does not have the majority in it!

Indeed, it was not he but the troika that imposed its will in the government reshuffle, as was shown in the removal of three government officials: Mr Arsenis who had begun to be considered as an "heir apparent;" Mr Lazaris whom they wanted to get rid of so that Mr Tsokhatzopoulos, the number one man of the troika, might be given the number one ministry; and finally Mr Maroudas who, even though a personal friend of Mr Papandreou for almost 23 years, "was sealed off" just to give this sensitive post of government spokesman to another member of the troika, namely Mr Laliotis.

These maneuverings were imposed on Mr Papandreou by the "big troika" with the support of the "small troika" whose members were "accommodated" to government positions (V. Papandreou, deputy minister of industry; P. Moralis, deputy minister of education; and D. Rokos, secretary general of the Ministry to the Prime Minister).

The Front Broken

The alliance between the "big" and "small" troika, that represents the hardest factional trend within PASOK, is especially dangerous for Mr Papandreou at a time when it seems that he is orienting himself toward a change in his foreign and economic policies, rather toward more moderate courses:

Drawing closer to the United States and an overture to private initiative, which means at least some retreat from a Third World policy and also some lowering of the flag of socialism.

Such a policy, however, would have come up against the opposition of the all-powerful front that the big and small troikas have created in the executive office. And that is exactly the second reason why Mr Papandreou wants to break out of the suffocating noose that has been put around him.

It is also evident that the small troika has been written off. None of its members is scheduled to be a candidate for the executive office in the elections that will be held in the first part of September. It is said that Mr Papandreou arranged for the executive office members' becoming ministers in the recent government reshuffle in exchange for their giving up their right to becoming candidates in the new executive office make-up.

Nevertheless, where Mr Papandreou wants "to draw out his knife" is the troika. His plan --according to what is being said-- is simple. He does not intend to remove all three because although he could have removed them from the executive office he would have given them the capability of becoming an intra-party opposition within the central committee and they would have constituted a most powerful pole of attraction for those dissatisfied with PASOK, and there are quite a few of them.

For that reason he has selected the "salami" method, first of all excluding its most powerful and dangerous member, not the number one minister, namely Mr Tsokhatzopoulos, nor the ambitious and error-prone --as revealed in his short term as government spokesman-- namely Mr Laliotis but the methodical and indefatigable Mr Gennimatas.

By removing one its members from the executive office, Mr Papandreou knows that he is breaking the cohesion of the troika. But for many reasons he wants to reach this outcome prior to the executive office reorganization. The transmitting of information

to TA NEA to the effect that Mr Gennimatas will not be in the new make-up of the executive office has led the other two members of the troika to abandon him! This also explains why Mr Laliotis did not cover his "associate" in a dialogue with reporters in the press room last week.

TA NEA also mentioned the possibility that Mr Laliotis himself might not be in the new executive office. A possibility that the government spokesman himself seems to be afraid of since in the past few days he has been repeating that there will be "surprises" and that "he does not want to mix his government duties with his party capacity."

The latter statement is construed by political observers as a last effort to show Mr Papandreou his "good behavior" and faithful exercise of his government duties.

The same circles maintain that it is evident that Mr Papandreou has led the "big troika" to believe that one of them will leave the executive office, one will stay (Mr Tsokhatzopoulos) and the third is for the moment "dangling" (Mr Laliotis).

This had completely disorganized the troika and has created an atmosphere of jealousy and antagonism among its members.

It seems that of the long-time executive office officials, only the following will remain in their positions: Mr Alevras who, as president of the Chamber of Deputies, avoids attending executive office meetings; Mr Kharalambopoulos who, because of his nature, does not get involved in internal intrigues; and Mr Avgerinos who, in his Euro-parliamentary capacity, is "out of commission" party-wise. At any rate, if in the long run Mr Laliotis stays on, Mr Avgerinos is "cut off."

Thus, of the long-term cadres there remain Messrs A. Papandreou, I. Alevras, I. Kharalambopoulos, A. Tsokhatzopoulos and either Mr Laliotis or Mr Avgerinos.

Mr Papandreou is planning the replacement of the "first class" cadres, whom he will leave out, with "second class" ones so that he could thus become the absolute master of the executive office. These are Messrs Stef. Tzoumakas, G. Daskalakis, K. Skandalidis, G. Souladakis, M. Daskalakis and M. Givalos who are altogether being influenced by his son, G. Papandreou, whom he is preparing to become an alternate member of the executive office together with D. Sotirlis.

The latter is Mr Tsokhatzopoulos' man and his promotion is aimed at neutralizing the opposition of the number one minister and formal leader of the troika in case the exclusion of Mr Laliotis should in the long run be decided on.

It is certain that four cadres who desperately want and aspire to get on the executive office will be excluded from the executive office reorganization now being planned. They are Messrs Koutsogiorgas, Arsenis, Lazaris and Tritsis. Even if only one of them were to succeed in being elected it is certain that Mr Papandreou's plan for a monarchy in the executive office would founder, with perhaps the only exception being the Koutsogiorgas case whom, however, the PASOK leader does not want at the top of the party hierarchy pyramid for other reasons.

1 October 1985

POLITICAL

GREECE

BRIEF

'GERMANS': UPPER HAND-- If there were certain ministries --primarily the economic ones-- in the previous government that were numerically dominated by those so-called officials "from America," a big representation of so-called "Germans" in higher ministerial offices has been noted in the new government. It is by this term that those PASOK cadres, who had studied in West Germany or who had been politically active there during the period of the dictatorship, are being described in the impromptu party language. So, the so-called "Germans" in the government, who literally predominate in higher government posts, are Minister of National Economy Kostas Simitis, Deputy Minister to the Prime Minister Akis Tsokhatzopoulos, Minister of Foreign Affairs Karolos Papoulias, Minister of Agriculture Giannis Pottakis and Minister of Justice Georgios-Alexandros Mangakis. These are followed by those who had studied, lived or had post-graduate studies in England and France. Included among them, in this second category, are Alternate Minister of Foreign Affairs Theodoros Pangalos --even if it does seem unbelievable-- and Minister of Interior and Public Order Menios Koutsogiorgas, who speaks French well but with a Peloponnisian accent. /Text/ /Athens TAKHYDROMOS in Greek 8 Aug 85 p 6/ 5671

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POLITICAL

NORWAY

PAPER VIEWS FOREIGN MINISTER STRAY'S 'QUIET DIPLOMACY'

Oslo AFTENPOSTEN in Norwegian 31 Jul 85 p 2

[Editorial: "Stray's Quiet Diplomacy"]

[Text] Minister of Foreign Affairs Sverre Stray gained a new personal victory when he was able to report in Helsinki yesterday that the Polish authorities have agreed to let Waldemar Knihinicki's wife and two children leave the country. Thus, a problem was solved which could have developed into a more than serious strain on the situation between Norway and Poland. It is to Stray's credit that he and his associates finally got Poland to understand what was at stake.

As is known, Stray's quiet diplomacy has often brought him into discredit among his more vocal than thoughtful critics. Yesterday's happy news from Helsinki together with the release of Alexander Bertelsen from a Turkish prison last week gives him deserved satisfaction. One should only have to point to Supreme Court Justice Tor Erling Staff's reaction: "This gives me and certainly also many others faith in diplomacy." We can only wish that Knihinicki's legal advisors will follow his lead.

It is results that count. And the record the government is able to present currently speaks a language which cannot be misunderstood. The apology from Moscow after the reckless cable cutting in the Barents Sea was the least we could ask from our neighbor in the East. But as Stray pointed out yesterday, in this matter as well the main rule must be that "it is easier to solve such matters if they do not become overly dramatic".

Let us in this context also mention the Libyan note from Monday in which the Qadhafi regime acknowledges that both the ship and crew were innocent when the "Germa Lionel" was kept under arrest in Tripoli for 67 days more than one year ago. It does not happen every day that the colonel in Libya acknowledges his guilt and liability for compensation after an international incident. The note will also be noticed outside Norway's borders.

The other day, AUF [Norwegian Labor League of Youth] leader Jens Stoltenberg took the floor to point out the disagreement in the foreign and security policy as a main issue in this year's election campaign. This the Willoch government can take with great equanimity. However, should it become a major

point, the opposition would not get much out of such a debate. When the central Labor Party politicians, as Guttorm Hansen did in the last parliamentary debate on foreign policy, accuse Stray among other things of playing a passive role within NATO, then this is merely one of many examples where activity is mistaken for disagreement. It is not Stray's style to conduct "hand-to-hand combat in NATO" or in other forums for that matter.

It is possible to say that the government's diplomatic involvements are very quiet both within the Western alliance and in other connections, but the claim with regard to passivity is so unreasonable that it has no validity. The results are--to borrow a saying from our fellow countryman Bertelsen--incredible.

12831

CSO: 3639/147

POLITICAL

NORWAY

GOVERNMENT CONSIDERING WAYS TO INCREASE NICARAGUAN IMPORTS

Oslo AFTENPOSTEN in Norwegian 29 Jul 85 p 3

[Article by Odd Inge Skjavesland: "Cotton and Meat from Nicaragua to Norway?"]

[Text] "Carpets and other handmade products, as well as bananas, cotton, sugar, meat and spices. These are some of the products which Norway could purchase from Nicaragua in larger quantities," Ministry of Trade Undersecretary Arne Synnes pointed out to AFTENPOSTEN. But he stressed that there continue to be many obstacles preventing an increase in the trade with Nicaragua.

As we know, Parliament has asked the government to evaluate this trade following the United States' trade boycott against Nicaragua.

"We are now in a phase where Norwegian authorities are trying to establish contacts between Nicaraguan importers and Norwegian exporters. However, in view of the overheated situation, this is not easy," Synnes says.

He emphasizes that Nicaragua must be told what Norway as an industrialized country is interested in. "We need only state that we are very selective," Undersecretary Synnes points out. He believes that it is more important that the Nicaraguans come here than that the Norwegian interested parties go to Nicaragua, since we generally know which Norwegian exports would be of interest.

Molasses Import

Norway imports a total of 35,000 tons of bananas annually. Last year the United States imported 80,000 tons from Nicaragua alone. Therefore, Norway can help Nicaragua offset only a small part of its export loss. There are better possibilities for molasses, a sugar product, for which Norway's needs are 60,000 tons. In 1980 we imported 2,500 tons from the Central American states, but even now it is conceivable to export 10 times that much to Norway.

In the fall, Norwegian importers will receive samples and prices for Nicaraguan cotton. An internal work group in the Ministry of Trade and in NORIMPOD (an agency under the Ministry of Foreign Aid) is also considering

meat imports. But in this area restrictions are so difficult that in Synne's opinion it is uncertain if anything will come of it.

"When will there be a concrete increase in the trade with Nicaragua?"

"As soon as possible, preferably before the end of the year. But the processing of exporters could take several years," Undersecretary Arne Synnes adds.

12831

CSO: 3639/147

POLITICAL

PORTUGAL

ADMINISTRATIVE DETAILS OF NEW INTELLIGENCE SERVICE

Lisbon TEMPO in Portuguese 12 Jul 85 p 11

[Article by Ribeiro Ferreira]

[Text] Though the decrees regulating the different services that make up the Intelligence System of the Republic have been published, conditions do not exist for the speedy operation of the whole system due to the political crisis as well as the delay of work on the new headquarters building of the Security Intelligence Service on Alexandre Herculano Street.

Promulgated by Ramalho Eanes on 26 June, the decrees regulating the Defense Strategic Intelligence Service (SIED), Military Intelligence Service (SIM), Security Intelligence Service (SIS), Intelligence Council and Technical Commission were published on 4 July in the official journal and depend now on the government's political decisions to go into actual effect.

The political crisis and the proximity of the projected elections could cause the complete operation of the Intelligence System of the Republic to drag on a few more months. Of the services that comprise it, only the Military Intelligence Service is in operation, inasmuch as the different branches of the armed forces already had them for many years. With autonomous data centers, the different intelligence services are going to cooperate with one another and it will be the prerogative of the prime minister to resolve conflicts of jurisdiction, both positive and negative.

In the case of the Defense Strategic Intelligence Service, it will be the prerogative of the prime minister to appoint the director and deputy director, the admission of personnel being made by decision of the chief executive at the proposal of the director.

The personnel statute of that service provides for a combination of privileges and obligations, noteworthy being the fact that they cannot make any statements to any authority, including the judicial authorities, without the prior authorization of the prime minister. On the other hand, the agents can be dismissed at any time at the convenience of the service, the statute in effect for the civil service not being applicable.

The agents have the right to carry and use weapons, do not have any set work schedule and are prohibited from exercising any other activity, whether remunerated or not, without the authorization of the director.

At the end of 6 years of uninterrupted service, the agents acquire state and those who were recruited from the civil service can return to their jobs without the loss of any benefits. The director and deputy director have the right to a residence or an equivalent subsidy at current market prices.

Personnel acceptances are also exempt from the approval of the aforementioned court [sic] and from publication in the DIARIO DA REPUBLICA.

With regard to the Security Intelligence Service--the only agency charged with the production of intelligence intended to guarantee internal security and necessary to prevent sabotage, terrorism and espionage and the practice of acts which by their nature can alter or destroy the state of law--has an organization fully identical with the Strategic Intelligence Service. In this case, it is the prerogative of the minister of internal administration to appoint the director and deputy director as well as to approve the personnel admission proposals, which are the responsibility of the director of the service.

Also subordinate to the minister of internal administration is the Consultative Council, which is comprised of the commanders general of the Republican National Guard (GNR), the Public Security Police (PSP) and Customs Guard (GF), the director general of the Judiciary Police and the director and deputy director of the Security Intelligence Service. Also worth mentioning is the Data Control Commission, comprised of magistrates named by the Attorney General of the Republic and the Superior Intelligence Council, a consultative organ of the prime minister which includes a Technical Commission headed by a secretary general and operates as a permanent support for the chief executive in all matters pertaining to the Intelligence System of the Republic.

The complete dependence of the Intelligence System of the Republic on the government, a fact that aroused great reservation in parliament and on the part of the president of the republic himself, can imply a significant delay in its implementation because it is not credible that the current executive, on administrative duties as of today, will proceed to appoint personnel and define the necessary budgets for its operation by October.

8711

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POLITICAL

PORTUGAL

DIVISIONS AMONG CANDIDATES OF RIGHTWING PARTIES

Lisbon EXPRESSO in Portuguese 10 Aug 85 p 3

[Article by Jose Antonio Saraiva: "Rivalries in the Right"]

[Text] For the more orthodox left, the "right" appears invariably as the only enemy which must be destroyed overall. To a less biased or more attentive view, the right frequently appears, however, like a battlefield, to the point where one could be led to think that it is within the area of the right that the left may find its main allies.

Take the following example: What better thing could happen to Lourdes Pintasilgo and Mario Soares than Lemos Ferreira becoming a candidate for the Presidency of the Republic, dividing in two the votes of the conservative electorate (which at first would rally around Freitas do Amaral) practically insuring in that way that Soares and Pintasilgo would go into the second round?

What happens in the presidential elections also happens in the legislative.

Who would be, it is asked, the greatest enemy of Lucas Pires, Cavaco Silva or Almeida Santos?

It is surely Cavaco Silva.

Going further, we can say that the climate within the Portuguese right has never been so tense.

Lucas Pires obviously does not like Cavaco because he feels that Cavaco is his main adversary in the sense that he can steal the most votes from him.

But Cavaco does not like Lucas Pires too much either because he needs to win votes from the CDS [Social Democratic Center Party] so that the Socialist Party may win. Therefore, he will not cease trying to show the voters the futility of voting for Francisco Lucas Pires, since each vote for the CDS will be a vote less for the PSD [Social Democratic Party], which would only contribute to facilitate the victory of the Socialists.

Misunderstandings or rivalries in the area of the right do not end here.

Freitas do Amaral, the only candidate who at this moment presents himself on the conservative side, similarly does not have a simple relationship with the leaders of the PSD and the CDS.

As far as Lucas Pires is concerned, the question is clear: He only supports Freitas for the simple reason that he cannot afford not to support him.

Lucas Pires knows that if he does not support Freitas do Amaral, the CDS will turn against him.

That dependency with respect to Freitas cannot be agreeable for the CDS president.

Moreover, Lucas Pires has already perceived that the only way to impose himself on his party--and not allow himself to be dragged along by the nostalgia of the party members with respect to the former leader--would be the political finish of Freitas do Amaral, and for that reason has made such a great effort to promote the presidential candidacy of Firmino Miguel. However, that effort failed.

As for the relations between Cavaco and Freitas, they are on a different plane.

Both are in fact measuring each other up and their objectives are not, contrary to what it may be thought, coincidental.

For Freitas do Amaral a resounding electoral victory in the legislative elections by Cavaco Silva would not be good. It would make of him the savior of the Portuguese right, a role that Freitas would like to play.

From the point of view of the candidate to the Presidency of the Republic, it would therefore be preferable to have a more balanced division of votes between the PSD and the CDS.

Cavaco's point of view, however, is the opposite.

A grey electoral result would be ruinous for his purposes, since it would lead the right to doubt his leadership capabilities and they would turn to the former vice minister of Sa Carneiro as the only survivor of the old Democratic Alliance capable of realizing the dream of the recomposition of the rightist bloc.

Taking this picture into consideration, it is interesting to note that which is to follow.

How can three men, who are much more rivals than allies, be capable of guiding their steps in such a way as not to make the "New Democratic Alliance," which all declare they are defending, entirely unfeasible?

POLITICAL

PORTUGAL

SOARES UNPOPULAR WITH WOMEN, POPULAR WITH MEN

Lisbon EXPRESSO in Portuguese 3 Aug 84 p 4

[Text] The image of Mario Soares among women voters is much worse than among the male voters, according to a survey ordered by the Socialist Party and carried out after an interview granted by the Socialist leader to the television program ACTUAL.

Carried out by telephone, reaching a total of 381 persons, all living in Lisbon, this poll also revealed that only a third of those interviewed watched the Margarida Marante program. Even among those who saw it, only 33.9 percent watched the program from beginning to end.

The percentages are always more unfavorable among women, since only 23.2 percent watched the program and among them only 22.3 percent watched all of it. On the other hand, 43.3 percent of the men questioned believed that Mario spoke "well" or "very well," while only 14.8 percent of the women had a positive opinion of his speech.

The same tendency is noted with respect to the image of the prime minister. Thus, questioned as to their liking, 85.5 percent of the men find him in some way attractive, while only 78.6 percent of the women had a similar opinion. If we remember that this poll only refers to the area of Greater Lisbon and is only of those homes with a telephone, the poorer image of the Socialist candidate to the Presidency of the Republic among the feminine voters may be attributed to the negative impact of inflation, a reality more perceptible in large cities and among those who have to make the family purchases.

The poll to which we have been referring, also dealt with other subjects. Thus, 27.4 percent of those polled believe Mario Soares to be a person of "Great value," 39.3 percent attribute "some value" to him, while only 18 percent attribute an "average value" to him and 8.8 percent "very little value."

The audience for the interview which led to this poll was almost the same-- but slightly smaller-- as those for interviews previously granted by other presidential candidates on the same television program: 29 percent to 29.2 percent for Freitas do Amaral and 30.8 for Lourdes Pintasilgo.

POLITICAL

PORTUGAL

SOARES' LACK OF PRESIDENTIAL ABILITIES SCORED

Lisbon SEMANARIO in Portuguese 27 Jul 85 p 12

[Article by Paulo Portas: "Take a Guess"]

[Text] He was once a candidate for President of the Republic. The Portuguese know him intimately. In human terms, he affected a style which identified him as a very affable person. Everyone says he is nice. This all seems to be true, especially in peace time. But few know how rude he can be, especially when things become turbulent. It is also said that he is a civilized man. Such an opinion is always subjective, but in this case, there seemed no reason to doubt it. Apparently, he is a civilized man. But he has good days and bad days. His rivalry with Sa Carneiro is a good example. He was capable of speaking eloquently and sincerely on the occasion of his death. He had been capable of allowing others to say and write abusive things about his personal life when he was at his zenith. But let us go on. The ultimate cliché was said of this presidential candidate, in short, that he is bourgeois. They say this so that it will be understood that he is not offensive. Is this not the politician who, over the last few years, captivated Lisbon salons? Is this not the politician who, only a few months ago, was hobnobbing so cozily with industrialists from the North? Of course it is. However, being bourgeois neither promotes nor hurts the image of any candidate. It would be respectable, but is not important. Besides, it is well known that some Portuguese bourgeois are accustomed to being politically inept. It is also known that for certain Portuguese industrialists, the national problem can be reduced to a subsidy or a miraculous allowance. Afflicted with such support, this presidential candidate became bourgeois. At the same time, he lost his popularity. However, it is the people who decide and votes are the people's weapons. Fortunately.

Let us then speak of this candidate as a political entity. Separating wheat from chaff, there are things that he knows how to do and things that he does not know how to do. He has a political calling to such an extent that he must be the only Portuguese leader who would suffer if he left politics, an occupational hazard of the times. On the other hand, he does not have the least inclination for statesmanship, i.e., he does not know and seems to have no interest in learning how to

structure, defend or manage public affairs. He has a remarkable ability to survive, which is to say, he has won and lost, been out of office and come back, and has risen and fallen once again. Unfortunately, he is an organized failure in power. He comes into office every time full of promises and overflowing with optimism and invariably goes out of office leaving everyone disappointed and pessimistic. The image of a politician with backbone has its reverse side in the image of a politician who wears down. He also has an undeniable ability to handle power in small matters: he makes offers here, trade-offs there, and pushes something through over there. But he turns out to be decidedly inept at resolving larger national problems. He even gives the impression of barely having some vague notion about the economic system, an even vaguer notion about the educational system, and perhaps a uniquely personal notion about government. Given all this, he will always be the system's caretaker, never providing any incentive for change. He dominates his party to do whatever he wants and he manipulates his potential successors' ambitions. He favors some and protects others so that without him no one has any power. As a counterpart to his immunity to facts, this presidential candidate does not exist in the world of ideas. In his world of ideas, ideology can always be postponed and his program can always be conveniently forgotten. For him, a compromise is an impasse: socialism neither advances nor allows other movements to advance. For years his speeches have tried to simulate a consensus in order to dissemble impotence. In short, this presidential candidate is a specialist in general ideas.

The candidate has a name, but it is not necessary to say what it is. Some things are obvious. Take a guess!

8844

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POLITICAL

PORTUGAL

POPULATION POLLED ON LOCAL ELECTIONS ISSUE

Local Elections Considered Important

Lisbon SEMANARIO in Portuguese 3 Aug 85 p 11

/Article by M. V./

/Text/ The figures--now substantial--prove that there is an awareness of the importance of local government in Portugal. In a poll held only in cities with more than 10,000 residents--where the role of self-government tends to diminish more than in the town or village--47.8 percent of those polled consider local elections as important as legislative elections. It will be remembered that in 1983 autarchies contributed to the downfall of Balsemao and the AD /Democratic Alliance/

In a city of the interior, like Viseu, the trend of those who hold the local election in greater esteem than that of the Assembly of the Republic /AR/ (16.2 percent is even stronger than the reverse (9.5 percent). At the opposite end of the spectrum, only 9.6 percent of Lisbon residents concern themselves more with the elections of the Chamber and Parish Junta than with those of the deputies and government. Curiously, the well-known regionalism of Porto residents causes them to adhere to the principle of self-determination as much as, or more than, the province.

It is also intriguing to note that the underprivileged group turns out to be the class least interested in local government: 37.3 percent believes that it is the legislative elections which are important, compared with 29.9 percent which holds both types of election to be equally important.

Agreement in Principle

With the exception of Viseu, where 4 out of 10 individuals polled declined to answer, substantial majorities in all the cities say that they always vote in the same parties for autarchies and the AR. In Evora and Porto those who believe in parity between local and national government reach a level of 70 percent. A second group, embracing about one-fifth of the voters, does not profess to have faith in the matter--now an equal vote, now a different one--whereas only a small minority acknowledges systematically favoring one and then the other.

It is clearly among the young that this liberalism is most contagious: 16.8 percent of the voters less than 45 years of age claims that it always opposes autarchies and their option of legislative elections, or vice versa; this group amounts to 22 percent of those who are more flexible and who pay more attention to individuals than to parties, voting just as quickly in agreement or disagreement in the various elections. But attached to their ideological clubs, the more elderly do not give way to fantasies--70.3 percent is striving to place the country, Chamber and Parish Junta in the hands of its own party.

This kind of fidelity turns out to be even stronger in the underprivileged class where 86.5 percent always places the x in the right square. The middle class is the most flexible in its choices.

Local Government: Ours and "Theirs"

Another psychological enigma: the Portuguese seem convinced that the quality of the work performed by the various parties in their cities has little to do with the merit or lack of merit of the activity of those same parties in other geographical areas.

Consider the case of the PS [Socialist Party]: whereas 12.5 percent, in the six cities as a whole, believes that the party's local activity is more important to the nation as a whole, only 9 percent thinks that this activity is equally important to the city in which it resides.

Viewed more closely, it would be said that things are still worse. But that is not the case: for example, in Coimbra 24.7 percent praises the domestic PS, but 9.5 percent maintains that the socialists deserve equal praise in the territory as a whole. Also in Evora, where 48.9 percent is certain that the APU [United People Alliance] has provided great local stimulus, only 14.4 percent admits that the same holds true on the national level. Still more curious is the fact that Lisbon and Vila Real believe that, in their areas, the PSD [Social Democratic Party] is the best but that, in other municipal areas, it is the PS which is worthy.

In any case, the dominant opinion is clearly that no party has really been of great value; and it is this opinion which amply explains the widespread disbelief in the parties as instruments of progress at the local level. Lisbon and Porto, the capitals, are the most skeptical, followed in incredulity by a city of the interior, like Viseu. Evora--the APU is making an effort, and facts are facts--is, in contrast, outstanding in the confidence expressed by 60.4 percent that party effort could help achieve success on the autarchical level. This hope, to a more modest degree, is also stimulating the thinking of Vila Real and Coimbra. However, from the social viewpoint it appears that only the upper class has reasoned that progress lies in the local power of the parties. The middle class and the poor are doubtful.

Technical Data

GENERAL--Portuguese people more than 18 years of age residing in Coimbra, Evora, Lisbon, Porto, Vila Real and Viseu. SAMPLING--609 individuals. SAMPLING METHOD--Random, non-proportional classification by cities. SELECTION--Random-route method at the home and by the Kish method via interviews. TECHNIQUE--Direct interview of individuals through means of a questionnaire at the individual's residence. POINTS OF DEPARTURE FOR SAMPLING--six cities in which points of departure were selected. FIELD WORK--Interviews held from 18 to 26 July 1985. MARGIN OF ERROR--Over the total the margin of error is ± 4 percent in a confidence interval of 95 percent. PARAMETER P = 50 percent. ORGANIZATION RESPONSIBLE--The survey was conducted by NORMA, SARL, Portuguese member of Gallup International.

Are autarchical elections more or less important than legislative elections?

More	13.2 percent
Less	17.6 percent
Equal	47.8 percent
No opinion	18.4 percent
No response	3.1 percent

In autarchical elections does one usually vote in the same party as in the legislative elections?

Always	6.5 percent
Never	11.2 percent
At times	18.4 percent
Not yet voted*	1.5 percent
No response	7.3 percent

* Not yet old enough.

Which Party Made the Greatest Effort to Achieve Self-government? Percentages

	National Level	In its city						
	Total	Coimbra	Evora	Lisbon	Porto	Vila Real	Viseu	
APU	4.1	5.6	1.8	48.9	5.1	2.7	0,8	2.6
CDS*	1.8	4.6	1.4	1.0	6.9	---	2.6	3.5
PSD	7.6	7.8	4.1	1.0	8.8	6.0	25.5	7.6
PS	12.5	9.0	24.7	4.5	5.2	15.5	13.2	7.8
All parties	0.4	1.7	4.2	0.8	---	5.6	0.8	1.8
None	27.9	26.6	37.2	8.4	23.1	34.8	23.9	38.4
No opinion	33.1	34.8	15.6	30.7	40.6	24.9	29.0	35.6
No response	12.6	9.9	10.9	4.7	10.1	10.4	4.2	2.7

* Social Democratic Center Party

Do You Believe in the Parties as Instruments of Local Progress? Percentages

	Total	Coimbra	Evora	Lisbon	Porto	Vila Real	Viseu
Yes	35.7	36.8	60.4	39.2	23.4	47.8	25.6
No	42.1	34.1	25.4	42.4	45.8	33.8	34.3
No opinion	18.6	16.1	12.1	15.3	27.2	16.9	38.3
No response	3.7	13.0	2.1	3.0	3.6	1.5	1.8

Popular Indecision Reported

Lisbon SEMANARIO in Portuguese 3 Aug 85 p 10

/Text/ An authentic lottery--this is what the elections for the coveted seats in the chambers of Lisbon, Porto and Coimbra would become if a political-constitutional earthquake would cause them to be held now: according to the results of the exclusive NORMA/SEMAMARIO poll held from 18 to 26 July, vast majorities of the citizens of those three cities have not yet decided how to vote. A crucial hesitation, for they consider the local elections as important as the legislative elections and are accustomed to vote in the same parties in both. To be precise, and in the midst of prudent silence, the only thing which stands out is the benevolence generally attributed to the efforts of the PS at the local level.

First point for consideration: contrary to what NORMA always did with regard to the legislative elections, the survey on the autarchical vote--carried out, moreover, only in Lisbon, Porto and Coimbra--was not conducted by the secret ballot method but rather through a more extensive questionnaire answered with x's. This perhaps accounts for the extreme reticence of those polled: in plain language, they do not commit themselves.

It is certain that our last survey on elections for the Assembly of the Republic, held in June by secret ballot, revealed a high degree of disorientation on the part of the electorate. But it did not, as now, reach the extreme point where as in Lisbon, for example, the PS took over the Chamber with 11.2 percent of the votes--because 62.3 percent do not vote, do not know or do not answer. Moreover, and with very little variation, this bizarre scenario is repeated in Porto (with 55.7 percent unknown quantities) and in Coimbra (64 percent), although with more distinct socialist victories in a sort of desert.

And now we have the second point for consideration: NORMA is the first to call attention to the fact that the margin of error of the results relative to each city is substantially higher than that of the overall picture due to the smaller sampling. While, on the whole, about 600 individuals were polled, each of the cities accounts for only about one-sixth of that number.

In view of all this, it goes without saying that any detailed observations may be risky and prejudicial. However, in this case they are considered mandatory.

Lisbon--the Eanist Challenge

There are two surprises in Lisbon: one is the fifth place occupied by the APU--which, from random observation and with the naked eye, is considered to offer a strong candidate for the Presidency of the Republic--and the brilliant implementation of the PRD /Democratic Renewal Party/--with which 70 percent of the Portuguese people are not even acquainted, according to its chairman, Herminio Martinho.

The third place, occupied by the Eanists, quick to follow the PS and PSD, owes that position--according to numerous schemers--to the vote of the more underprivileged who are not settling for less than 34.4 percent and victory. Meanwhile, the middle class elects the PSD and the upper class the CDS, but both--just as, moreover, the poor--strongly supporting the socialists.

If it is worth the trouble to reckon with inadequate figures, it is obvious, at this stage, that the only absolute majority viable with just two parties would be a PS/PSD alliance. Other coalitions--whether the PSD/CDS or the PS/PRD--would win, only later to live in the alarming situation of seeing its decisions countermanded by the will of the opposition.

Nuno Abecasis has had a good dose of this experience in the past 3 years. More than a quarter of the Lisbon residents would like to see him continue to strive and suffer: 26.8 percent, a group, it will be seen, which is much broader than the present sum of the AD parties which, in 1983, re-elected him (PSD + CDS = 17.3 percent). No one will doubt that the energetic chairman won a very personal respite, and appreciation for his image is expressed profusely through strict partisan or political loyalty. But there is also antipathy: Abecasis managed to arouse certain hostilities. Just as, despite everything, the majority--41.9 percent--shrugs its shoulders in an attitude which is quite typical of a large city with regard to local government, each one can read the figures as best suits him. Abecasis has more supporters than opponents. The majority would not consider it bad for him to continue in the Chamber. The majority would also not consider it bad if he left the Chamber. To be precise, the majority of the Lisbon residents do not care whether there are towers or ground floors, revolution or apathy. There are other problems. Too bad.

Social Porto

In Porto, 22.5 percent of the PS--more than double its closest competitor, the PSD, with 9.2 percent--now gives him a more convincing victory. And this despite general recognition of the merit of Paulo Varada, current president of the Chamber, elected from the AD slate. Valada--who, in 1983 moreover, made every effort to promote his golden dream, a PS/PSD/CDS alliance--breaks two records: minimum contention (11.2 percent), maximum recognition (35.3 percent). But not even his tremendous and finally appreciated effort succeeded in piercing the armor plate of the predominant apathy (39.9 percent).

Thanks to the vote of the poorer class--which is literally divided among the APU (19.9 percent), the PSD (9.6 percent) and indifference (70.5 percent pledge not to vote)--the communists show up as the third party most represented in the Porto legislative area. Moreover, the poor are against Valada--in marked contrast to the high degree of enthusiasm of the upper class and the well-known esteem of the middle class. Both intend to vote PS.

The CDS and PRD, with undiscernible marks of interpretation--they are so low--hardly count at the moment on supporters in the middle class.

Undecided Coimbra

Also in Coimbra, the PS--which presides over the present Chamber in the person of Mendes da Silva--occupies the front position, but closely followed by the PSD. Less contested than Abecasis in Lisbon, also less dynamic, Mendes da Silva can go or remain, to the complete indifference of the local citizens. On the whole, they see more good in him than bad. But this does not appear to be consistent, and again there is mystery in the results: the underprivileged class, where there is not a single critic of the socialist Chamber president, intends to vote PSD (41.2 percent); the middle class, where opponents of Mendes da Silva's performance predominate, is with the PS; and only the upper class manages to achieve compatibility between its support of the man and party.

Just as in Lisbon, the communists in Coimbra appear to be abandoned by the underprivileged who, generally speaking, ignore them, supportive votes being cast mainly by a few aid recipients and, especially, by more distinguished individuals. In view of the 1.6 percent of the CDS (not to speak of the 0.6 percent of the PRD), the explanation must be sought in the 64 percent of those who kept silent.

LISBON

Elections to the Chamber "Today"

PS	11.2 percent
PSD	10.5 percent
PRD	7.1 percent
CDS	6.8 percent
APU	2.2 percent
Would not vote	7.0 percent
Does not know	35.5 percent
No response	19.8 percent

Continuation of Abecasis Would Be

Good	26.8 percent
Bad	19.8 percent
Indifferent	41.9 percent
No response	11.5 percent

PORTO

Elections to the Chamber "Today"

PS	22.5 percent
PSD	9.2 percent
APU	8.2 percent
CDS	2.8 percent
PRD	1.5 percent
Would not vote	21.6 percent
Does not know	21.8 percent
No response	12.3 percent

Continuation of Paulo Valada Would Be

Good	35.3 percent
Bad	11.2 percent
Indifferent	39.9 percent
No response	13.6 percent

COIMBRA

Elections to the Chamber "Today"

PS	15.2 percent
PSD	13.3 percent
APU	5.3 percent
CDS	1.6 percent
PRD	0.6 percent
Would not vote	13.9 percent
Does not know	35.0 percent
No response	15.1 percent

Continuation of Mendes da Silva Would Be

Good	22.4 percent
Bad	13.6 percent
Indifferent	48.7 percent
No response	15.4 percent

8568

CSO: 3542/244

POLITICAL

PORTUGAL

POPULATION TRENDS AT TURN OF CENTURY ANALYZED

Lisbon DIARIO DE NOTICIAS in Portuguese 11 Jul 85 p 6

[Test] What will be our population in the year 2000? What are the demographic trends of the Portuguese population viewed at a distance of only 15 years--the period of time that separates us from the turn of the century? These questions are beginning to concern national specialists, who have presented their conclusions. Among them are: Portugal will have an older population; the current regional disparities will be appreciably more accentuated by the year 2000; and Greater Lisbon will cease to be the Portuguese density of population center, losing that position to the north coastal area.

With the turn of the century only 15 years away, demographic specialists have already begun to ask themselves: How many of us will there be, and what will we be like in the year 2000?

It is impossible to predict precisely how many people will inhabit Portugal in 15 years but the specialists are in agreement on one point: we will have an older population, whether through the increase in the number of old people or the reduction of the young age group, both in percentage and in absolute numbers.

More serious, however, according to Professor Manuel Nazareth of the New University of Lisbon, will be the foreseeable accentuation of regional disparities. The districts of the interior and the south, where there is a larger concentration of old people at the present time, will have a higher number of old people, while the coast, especially in the north, will have a concentration of younger people, which could even increase in an area where birth rates exceed the national average.

Another study, made by a task force for the Damiao de Gois Institute even predicts that by the year 2000, only the districts of Braga, Oporto, Coimbra, and Viseu will have more young people (up to 20 years of age) than they have today.

Fewer Young People

All the other districts in Continental Portugal will have fewer young people and it is predicted that at the national level the population under 20 years of age will decline from the current 26 percent to 24 percent of the total.

Referring to the age group of 14 years old and under, which in the last census constituted one-fourth of the population of Portugal, Manuel Nazareth estimates that in the year 2000 it will represent only one-sixth of the Portuguese population.

The over-65 age group may increase from 11 to 15 percent which, as is occurring today in many European countries, is going to put a burden on the social security system, forcing government authorities to confront the problem seriously.

Compared to the more developed European countries, Portugal has a still relatively young population and a relatively high birth rate but with a declining tendency. As a matter of fact, fewer and fewer babies are being born: we have gone from 158,000 live births in 1980 to only 142,000 in 1984.

For the time being, the natural balance (the difference between those who are born and those who die) continues to be positive but in recent years it has been declining.

Slow Population Growth

According to figures supplied by the Demographic Studies Center of the National Institute of Statistics (INE), the Portuguese population has already increased since the last census but while the positive balance was 63,000 inhabitants in 1980, 3 years later the balance had dropped to only 48,000 inhabitants.

In the opinion of Custodio Conin, the director of the center, for the time being there are no indications that Portugal is entering a period of negative population growth until the year 2000. However, it may be acknowledged that without flow of migration, its growth will be slower and slower until it becomes stabilized.

That expert points out in that regard that the trend in the last few years has been for more Portuguese to return to the country than to leave.

Between 1980 and 1981, 61,000 returned and 20,000 left, which represents a strongly positive balance of the migratory flow.

"The continuation of this positive migratory balance in the future, its possible increase or decrease depend essentially on extrademographic factors such as the economic situation in the EEC countries and the political evolution in countries on the African continent where hundreds of thousands of Portuguese are living at the present time," he emphasized.

Disparities Will Continue to the Year 2000

On the other hand, according to the forecasts of the Damiao de Gois Institute, in the year 2000 Continental Portugal may have 1.3 million more inhabitants than it had in 1980 but distributed in an irregular manner over the territory,

with the maintenance or accentuation of the present regional disparities between the interior and the coast, and between the north and the south.

If the premises on which this study is based are confirmed, in the year 2000, the Greater Lisbon region will have lost first place as the area of greatest population density, which moves to the north coast due to the greater relative growth of the population in the districts of Oporto and Braga.

In 1980, the population of Greater Lisbon (including Setubal) represented 29.2 percent of the total population of Continental Portugal, with the north coast (Oporto, Braga and Viana do Castelo) appearing in second place with 27.1 percent.

Since the north coast has a tendency for greater demographic growth than the Greater Lisbon region, it is acknowledged that within 15 years those three districts of the north will account for 30 percent of the population of Continental Portugal while Lisbon and Setubal together will have 29 percent.

8711

CS0: 3542/225

POLITICAL

PORTUGAL

NEW ORGANIZATION FOR SOLIDARITY WITH VICTIMS OF TERRORISM

Lisbon O DIA in Portuguese 24 Jul 85 pp 12-13

[Excerpt] We received the following letter from VITERRO with the request that it be published. It goes without saying that an organization like this has to shroud itself in anonymity in order to protect its members from the same cowardly attacks visited upon their families.

"VITERRO considers itself a national movement for solidarity with victims of terrorist acts committed by the so-called People's Forces of the 25th of April (FP-25 April), which, of course, claims to be a lover of peace and justice, condemning all the forms that politically directed violence can take.

"Not doubting that the hatred of this pseudo-organization would turn its guns on us, we will keep our identities secret until we consider it safe to divulge them.

"We are suffering in spirit and in body from the terror that touched many and victimized some of our loved ones, while neither the perpetrators nor their supporters were ever brought to justice.

"The impunity which heartless terrorists have enjoyed, even though they were obviously guilty and even caught in the act, as was the case at Stnadard Electrica and Edward VII Park, led to a wave of violence that sowed suffering and death among the Portuguese people.

"Toward the end of June last year when we learned of the arrest of a large number of persons accused of being members in the organization which claimed responsibility for actions leading to the mutilation and death of family members we loved so much, we began to hope that justice would finally be done.

"VITERRO, as a movement supporting the victims of terror, suggests (1) that we closely follow sentencing of the guilty, assuring that justice be done; (2) expose campaigns to mislead public opinion that certain "paquins" [term unknown] are directing in order to ridicule and discredit

social institutions, circulating the idea that terrorists caught in the act are innocent, being 'victims of fascism'; and (3) publicly denounce those responsible for spreading such rumors.

"Being a lover of peace and still believing in social institutions, VITERRO is merely waiting for justice to be done."

8844

CSO: 3542/234

POLITICAL

PORTUGAL

URGENT NEED FOR RELATIONS WITH LUSOPHONE AFRICA

Lisbon O DIABO in Portuguese 23 Jul 85 p 4

[Article by Manuel Maria Murias: "African Policy"]

[Text] Portugal's need to return to Africa is a feeling which is becoming more and more acute in our collective consciousness. Either because of an inferiority complex or because we think we are different from Europeans, we look at Europe with a manifest lack of trust, and only a narrow fringe of Lisbon politicians and provincial technocrats takes seriously our recent membership in the European Economic Community. Perhaps it would not be a bad idea to try to analyze the matter objectively, looking at it without preconceived ideas.

Before the glorious 25th of April, most people defended the overseas provinces as a matter of course. Salazar gave orders and the people obeyed: we gave him carte blanche. Those who opposed his policies did so simply out of opposition to the old regime, just to oppose him. Salazar gave orders, and they chose to disobey for various reasons: ideology, the principle of nationalities, the world revolution, the right of self-determination, human rights, democracy, etc., etc.

Those very few who conscientiously defended our continued presence in Africa did so for quite concrete historico-ideological and geo-political reasons:

1. Portugal had no previous history surviving without overseas provinces. Since the reign of D. Dinis, we have resolutely turned to the sea to expand, first, since the treaties with an armed forces of Castile prevented expansion by land, and later because the Andalusians prevented it in their drive to retake the Peninsula.

Portugal existed as Portugal, against Castile.

It was a choice of either containing Castile by a policy of royal marriages or controlling the seas. It was easier for us to control the seas. Without Africa, the Islands and the East, Portugal would have become Castillian, so that Castille could become Spain.

2. Poverty and a small territory required us to explore and cultivate the overseas provinces in order to survive economically. As can be seen shortly after the glorious 25th of April, over 50 percent of the economy of European Portugal depended on overseas production. We earned foreign currency and obtained raw materials from overseas; we sent the best of our industrial and agricultural production overseas. With Africa we would better withstand the various oil shocks which took place after 1973; without Africa we would have been dependent on the grace of God, unable to survive the no-holds-barred competition among the large industrialized nations.

3. These first two points result in the empirical formulation of a doctrine of a truly original racial and continental pluralism, since the various territories were interdependent and no one of them could do anything prejudicial to the others. Blacks born in Nampula were as Portuguese as whites born in Vila Nova de Cerveira.

The cultural differences between the various ethnic groups prevented rapid administratively decentralized political and economic integration. Many sins and abuses were committed, but we were headed firmly in a direction which, if not federal, was stubbornly regionalistic.

4. In Africa we were also defending the West. Our enemies were being manipulated by the Soviet Union. We knew that if Portugal withdrew from its overseas provinces, Russia would be the one to move into the vacuum, and that the strategic positions which the West would potentially control in the South Atlantic and the Indian Ocean would be lost to the East Bloc.

Cunningly directed by communist military men, the 25th of April delivered Africa to Soviet imperialism, destroyed the dream of a white Rhodesia, and jeopardized South Africa. Since not all the terrorists were pro-Moscow, there was a civil war. And since none of the guerrilla groups were trained in government, there was administrative chaos and hunger.

One point is fundamental to an understanding of the problem: we considered everybody living under the national flag to be Portuguese. We cannot consider ourselves as something other than Portuguese now merely because of the dictatorial fiat of the Armed Forces Movement (MFA). We have no right to say "them" because the first person plural can only be used in the national context (we are also them and they are us). Now, as then, we still have the same shared feelings toward the Portugal of old because we continue to consider them a part of us.

We must therefore defend their independence and peace, sending troops if necessary; we should solve the problem of hunger; we should help them to govern themselves; we should extend the dual citizenship provision to them in a much broader, more inclusive fashion than we have toward Brazil.

Portugal is not Portugal without Portuguese-speaking Africa and Portuguese-speaking Africa will never have peace without Portugal. Samora Machel, Aristides Pereira and Nino Vieira now understand this. Only revanchists or provincials haunted by the ghosts of 25 April do not understand this.

A foreign policy can only be truly coherent and effective when it promotes national defense above all else--and national defense entails the Africanization of Portugal. We will find our salvation by returning to Africa and Africa will find its salvation by returning to Portugal.

8844

CSO: 3542/234

POLITICAL

PORTUGAL

BRIEFS

VITOR ALVES, INDEPENDENT--Lt Col Vitor Alves, who heads the slate of the PRD [Democratic Renewal Party] for the Beja area, said he was neither a communist nor a narrow-minded "anticommunist." After presenting the PRD candidates list from Beja, the former spokesman of the Council of the Revolution also said that he is an "independent" and does not belong to the cadres of the new party. "My candidacy from Beja will not be to the prejudice of any political force but for the benefit of the Portuguese people," he declared. He added: "The PRD does not present itself against any existing party but against the political practice of the parties which up to now have deceived the Portuguese." Vitor Alves also said that the objective of his participation in the elections "as a citizen and captain of 25 April" was that of "recovering and fulfilling the hope that April brought to the Portuguese people. [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 14 Aug 85 p 4] 8908

MADEIRA NO ARAB THREAT--Joao Jardim, president of the Madeira Regional Government, declared yesterday in Funchal as he inaugurated automatic telephone links with Turkey, Algeria, Morocco and Tunisia, that the autonomous region of Portugal "never was a threat for our neighboring Arab countries." Jardim explained his position, saying that port and airport infrastructures of the region will not be used against Arab countries. Moreover, Jardim demonstrated a great "African" leaning, praising relations with Arab countries especially with Morocco, "although we committed the error of having lived for years separated from the African axis." [Text][Lisbon A TARDE in Portuguese 14 Aug 85 p 24] 8908

RADICAL LEFT PARTY TO RUN--The Popular Democratic Union (UDP) is going to participate in the 6 October general elections in all election districts with the aim of returning to parliament, a party source told the Portuguese News Agency (NP) yesterday. Essentially, the UDP will run alone throughout the country although it is not closed to negotiations with other parties of the same political area, the so-called radical left. The same UDP source also told NP that members of the Reconstructed Communist Party (PC (R)) are going to join the UDP slates in Lisbon and Madeira, refraining from presenting their own slates in those districts. Heading the UDP slate in the Lisbon district is Mario Rome. The UDP, meanwhile, is going to convene a national election conference on the 7th in Lisbon to deal with election matters. The PC (R), in turn, is going to run with its own slates throughout the country with the exception of Lisbon and Madeira, where members of theirs are joined in the UDP slates. A PC (R) source said that the party's aim in the next elections is "to defeat the right and to put the UDP back in parliament." The same source added that despite the fact that the PC (R) will present itself at the polls, it does not mean that it "is abandoning the struggle in the popular area." [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 18 Jul 85 p 2] 8711

POLITICAL

SWEDEN

FRUIT IMPORTS FROM SOUTH AFRICA HALTED AS EXPORTS TO CONTINUE

Minister Announces Sanctions

Stockholm DAGENS NYHETER in Swedish 3 Sep 85 p 13

[Article by Cian Lund: "Partial Boycott of South Africa; Sweden Halts Fruit Imports"]

[Text] Imports of agricultural products from South Africa are being halted. But the question of importing metals for the steel industry is to be studied. These are some of the items in the package of measures presented by the administration on Monday in order to limit trade with South Africa.

"The stricter measures are a result of the horrible situation in South Africa, where we are now seeing the ugly face of apartheid," Foreign Trade Minister Mats Hellstrom said at a press conference on Monday.

"We want to show the international opinion that it is possible to take steps against South Africa within the framework of the international rules of trade while awaiting decisions for binding UN sanctions."

"But measures by a single country will only have marginal effects," Mats Hellstrom says.

The package of measures against the apartheid regime in South Africa will be submitted directly to Parliament when it convenes in October.

Last year Sweden imported goods for 403 million kronor from South Africa, of which 116 million kronor represented agricultural products.

The Swedish government has previously rejected a ban on imports for fruits and vegetables. That would be contrary to the GATT agreement. But the GATT agreement allows for exceptions if the measure involves import of goods produced by prisoners.

A large part of the black agricultural workers in South Africa are prisoners, a result of the apartheid policy.

Quickly

"This exemption from the GATT regulations has not been used by Sweden before," Mats Hellstrom said.

The Swedish steel industry is largely dependent on chromium and manganese, among other things, from South Africa.

The Board of Commerce will now, together with the National Board of Economic Defense and the State Industrial Board, be charged with finding other supply countries.

"The task will be carried out quickly; it must not drag on for a long time," Mats Hellstrom said at the press conference.

In the package of measures Swedish companies are advised to seek other markets and suppliers in order to reduce the exchange of trade with South Africa.

"This recommendation to business and industry includes both import and export," Mats Hellstrom said.

The administration will propose to Parliament that municipalities and county council regions should be given the right to boycott South Africa. Swedish shipping companies are advised to avoid shipping to South Africa.

The government also will not grant companies exemptions for investments in South Africa or Namibia this year.

Industries Reject Charges

Stockholm DAGENS NYHETER in Swedish 3 Sep 85 p 13

[Text] "The racial discrimination policy in South Africa is to be condemned. We support the demands that it be abolished."

This is what six Swedish companies active in South Africa say in a joint statement.

In the most recent issue of METALLARBETAREN the companies were criticized for being passive regarding improvement in the conditions of the blacks.

This has now been rejected by the company leaderships.

"We pay equal wages for equal work, and we have undertaken a number of measures to see to it that expressions of apartheid thinking will disappear from the places of work," say the six managing directors of Alfa-Laval, Atlas Copco, Sandvik, Secoroc, SKF and Transocean.

"Tangible improvements have taken place, which can be measured in greater union activity and by the fact that increasingly more blacks now do advanced work."

"We have pushed hard so that whites and blacks are now able to work in the same premises and eat in a common cafeteria," Atlas Copco's managing director Tom Wachtmeister says to TT [Press Wire Service, Inc.].

"But the white labor unions often resisted and defended their privileges. We would rather that there were a joint labor union," Tom Wachtmeister says.

The statement points out that not only does the racial discrimination system mean humiliating oppression but it also makes economic growth and a sound market economy more difficult.

"For these reasons we support the demands for abolishing apartheid--demands which have also been brought forward by leading business organizations in South Africa," the six say.

"If we are allowed to conduct normal business activity we can and will contribute to making the places of work free of all forms of racial discrimination. This is part of our responsibility as employers," the managers say.

Industries Turn Down Appeal

Stockholm DAGENS NYHETER in Swedish 6 Sep 85 p 8

[Article by Anders Nordstrom: "Companies Continue South Africa Trade; Export Halt not in Question"]

[Text] The large Swedish companies reject the administration's call for a halt to exports to South Africa.

A quick survey undertaken by DAGENS NYHETER among the companies which sell the most to South Africa is unequivocal--exports continue.

"No, it is impossible for us to follow the administration's recommendations," says Per-Olof Eriksson, who is managing director of Sandvik.

"Our own company in South Africa operates exclusively on finished and semi-finished products which we sell to it. It would collapse if we stopped that export."

The government last week called on the Swedish companies to refrain from trading with South Africa, both imports of South African goods as well as exports of Swedish products to South Africa. It is not a matter of a ban, however.

Tripled

Swedish exports to South Africa have tripled during the 1980's in terms of current monetary value. In 1979 Swedish companies sold for 513 million kronor to the apartheid regime; last year the figure had climbed to 1,548 million.

Overall, the Swedish export of goods to South Africa represents a modest share of the Swedish foreign trade. During 1984 sales to South Africa amounted to no more than 0.63 percent of the total export of goods.

This means that about 3,500 out of the more than 1.1 million people employed in Swedish industry manufacture products sold to South Africa.

"We are not planning to halt sales to South Africa," says Alfa-Laval managing director Lars Hallden to DAGENS NYHETER.

Must Be Closed

"Our sales to that country consist almost exclusively of spare parts for equipment in agriculture and the food industry. It can scarcely be in anyone's interest to make agricultural production down there more difficult. After all, the blacks would bear the brunt of it."

Atlas Copco also has no plans to halt exports to South Africa.

"That sort of thing would in fact mean that our subsidiary down there would have to be closed down; everything we sell to South Africa goes through our own company," the company's managing director Olof Sjostrom says.

"And according to existing legislation we have the right to continue our activity in South Africa at the same level as today but not the right to make any new investments."

"On the other hand, our sales to South Africa have declined, but that is not due to us but because of the economic problems the country has acquired as a result of the most recent unrest.

"South Africa is a large and important market for our MTC division, which manufactures mining equipment. Exports to that country affect not only our production in Sweden but in the FRG and Belgium as well.

From SKF it is reported that between 300 and 400 people within the conglomerate work with the production of goods exported to South Africa. Between 80 and 120 of these persons work in Sweden, the remainder in Italy and the FRG, among other countries.

"We have no plans to halt sales to South Africa. All contacts with our customers there go through our subsidiary in the country," says Olle Wernerby at SKF.

"By so doing we believe that our ties with South Africa are regulated by the existing South Africa law."

Built up

At Asea, however, one does not want to comment today on whether the company will follow the administration's recommendation to stop selling goods to South Africa.

"The government has said that it will initiate negotiations about this with industry. We are waiting to make any comments until after these talks," says company information chief Roger Johansson.

Douglas van Reis works with South Africa questions for the Asea group. He tells DAGENS NYHETER:

"The position we have in South Africa has taken us a very long time to build up. If we cut off sales at this time, it will take many years to rebuild it. We work in extreme competition with other producers of electrical products down there."

Swedish sales of goods to South Africa represent about 1.2 percent of South Africa's total imports. However, the Isolate South Africa Committee and the Swedish Ecumenical Board, which have pushed hardest for an export halt, are of the opinion that exports to South Africa mean more to the South African economy than is apparent from the figures.

The reason is said to be that Swedish exports consist largely of high-tech products, which contribute to the development of the South African industry.

An order to South Africa for goods has been halted by union clubs at the Malmo company Sattcontrol, in protest against the country's apartheid policy.

As the company was about to sign a contract with a retailer in South Africa, the Graduate Engineers' Club with 125 members and the Workshop Club with 110 members decided to protest, and no contract was ever signed.

The company manufactures electronic guidance systems.

11949

CSO: 3650/341

MILITARY

FINLAND

BRIEFS

FINAL HAWK TRAINER-FIGHTERS READIED--The last of the Hawk jet trainer-fighters ordered by the Air Force are being readied and the assembly of the planes is on schedule, the Air Force high command announced. For the Finnish Air Force's Satakunta Flight Section, which has been transferred to have its home base in Pirkkala, these Hawks represent primary materiel. These planes are replacing the outmoded Fouga Magister jets. Calculations have estimated that the Hawks will be utilized for over 20 years which includes 6000 flight hours per plane. The BAe Hawk MK 51 used in Finland is a jet trainer with two seats, one behind the other, which is used, among other things, for training when advancing to flying more demanding top-notch fighter planes. The operating radius for the Hawk is about 2000 km when auxiliary fuel tanks are used. The maximum speed in horizontal flight is 990 km/hr and the maximum altitude is 15,000 meters. [Text] [Helsinki UUSI SUOMI in Finnish 25 Jul 85 p 6] 13002

CSO: 3617/152

MILITARY

GREECE

REPORTED REASONS FOR CONTINUED NATO MEMBERSHIP

Athens MESIMVRINI in Greek 17 Aug 85 p 6

/Article by Alex Velios/

/Excerpts/ Greece's prime problem is its security. A priority that is furthermore accepted by the present leadership of the country, at least as evidenced from its repeated proclamations. A priority that is natural to constitute a determining factor of the foreign policy of the country, consequently the fundamental criterion of its foreign options.

On the basis of this criterion, post-war government made the correct choice by having the country join NATO at a period of time (beginning of the 1950's) when the cold-war atmosphere hung over the world scene and when the advance and presence of the Soviet army in East Europe and the Balkans was still new and strong. Moreover, the NATO option was necessary for the rapid economic and defense reconstruction of the country that was just coming out bloodstained from the 10-year Nazi occupation and civil war anguish.

This choice, this Western Alliance choice, continues to be indispensable today because of events.

First of all, because the Soviet presence in our neighboring region continues to exist: with a Bulgaria firmly linked to the Warsaw Pact and superior in conventional military might to Greece's. Even more, with the Soviet fleet off the limits of Greek territorial waters, an example of increased Soviet interest in the Mediterranean region.

Secondly, because our country has northern frontiers with countries that are much bigger and that most probably --taking into consideration the given facts in the Balkans--would not have developed the same good neighborly and friendly relations with a Greece that was strategically isolated, unprotected and militarily weak.

Thirdly, because the country's joining the North Atlantic Alliance stabilizes militarily, strategically and politically the potential of the Turkish presence in the Aegean. Militarily because it ensures some balance in armaments between the two countries that otherwise would have been impossible. Strategically because Turkey thus does not constitute the sole western prop in the region, an advantage that has understandable impact for our country. Finally, politically because Greece is

provided not only the possibility for countering Turkish demands but some other possibilities for checking Turkish aggressiveness.

Papandreou's allegation that the source or the cause of our problem with Turkey is Greece's participation in NATO is an extreme political distortion of facts. The "first Greek socialist prime minister" conveniently neglects extending his syllogism to a very simple question: what would happen if Greece were not a member of NATO? Would not the same problems exist then --and indeed aggravated to an explosive level? Or would these problems perhaps would have been resolved to the benefit of Turkey, leaving Greece the moral satisfaction from some UN decisions or some votes of support on the part of the non-aligned nations? Relative examples are plentiful.

Let us now come to the taboo issue of the national tragedy in Cyprus.

The international community overall had followed in a disinterested manner the territorial mutilation of the free Cypriot Republic. At that time Ankara was faced by a dictatorial government altogether incapable of defending Greek rights --indeed having given the cause for the outbreak of the crisis through extraordinary lack of judgement. Subsequent democratic Greek governments undertook every possible effort to salvage all that it could from the accomplished Turkish invasion. The only actual condemnation of Turkey was the American embargo and subsequently the approval by the United States of the Greek request for the maintenance of the correlation of forces in the Aegean (the establishment of our well-known 7 to 10 ratio).

One may ask --a question dealing not only with the Cypriot question: How would Washington have faced a Greece that would have at that time irrevocably turned its back on the Western Alliance? And what consequences would that have had on our national issue, on our national issues?

It is a fact that Turkey did make use of NATO weapons to illegally and high-handedly invade Cyprus. NATO weapons that Greece would use in a hypothetical case that it would need in militarily aiding the Cypriot Republic. Of course, a desired task would have been if other countries --NATO members-- would have intervened in 1974 to prevent the Turkish invasion of an independent and free country. It also would have been a desired task if other countries --members of the Warsaw Pact--would have intervened in 1968 to stop the invasion of Czechoslovakia by Soviet tanks.

What Policy?

These then are the objective facts. And there is one thing being sought: a political desire for a dynamic promotion of Greek interests within NATO, strategic and political development for our participation and the conversion of its being a member to conscientious political action. These are the substantial criteria for an evaluation of Papandreou's "gymnastics" within the ranks of the Alliance but also the criteria for another concept of, another approach to Greek participation. Still, you cannot be a member of NATO without being a friend of NATO for fear that your participation will be ineffective. And that is exactly what the Papandreou government has "succeeded" in doing during its first 4 years in office. Will the belated pragmatism that Kastris seems to have understood after the elections have an effect on the reactivation of Greek participation in the Alliance? Or will it perhaps be proven once again in our modern history that it is in the long run impossible for a leader to successfully exercise a policy in which he does not believe?

5671

CSO: 3521/331

MILITARY

GREECE

BRIEFS

DENUNCIATION OF BASES AGREEMENT--I learned about it from indiscreet members of the PASOK Central Committee and I relate it unaltered. Speaking on the issue of the American bases, Prime Minister A. Papandreou let it be understood that it is possible that the denunciation of the agreement 6 months before its expiration in December 1988 (i.e. in June 1988) would not take place but that the issue would be discussed in the 18 months following the expiration of the agreement. Even more, "in the 18 months that remain after the termination of the agreement" --I was told that Mr Papandreou said-- "we will be able to make our decisions on the removal of the bases at our complete leisure." The quotation (I relate it as they indicated it to me) did not, however, appear in the text of the prime minister's general political proposal that was made public. /Text/ /Athens TAKHYDROMOS in Greek 1 Aug 85 p 7/ 5671

CSO: 3521/331

MILITARY

NETHERLANDS

INCREASED MILITANCE OF UNIONIZED CONSCRIPTS

Rotterdam HET VRIJE VOLK in Dutch 6 Aug 85 p 6

[Text] Ad Hoogerwerf Utrecht--After hibernating for several years Soldier John is once again alert and ready to take action. The VVDM (Association of Drafted Military Personnel) is not only taking notice of the growing number of its members (a doubling of membership since January of this year) but also of the recent fight for a longer weekend or better: a later Monday morning roll-call.

Ninety percent of the 10,000 conscripts questioned by the VVDM do not want to see a change in the way of "allotting" the 5 free days which State Secretary of Defense Hoekzema has dispensed. They opt for 2 free hours per week and prefer to have these on Monday morning so that some of them need not come to the barracks as early as Sunday night.

Sjoel Stijnen, the action coordinator of the VVDM, explained once again the logic of the idea. He said: "As things now stand most soldiers have 8 to 10 days leave left over at the end of their service period. They are paid the ridiculous amount of 10 guilders for only the first 4 days, and then nobody has really anything left."

Thus far the VVDM has had no success in getting other trade unions to see its point of view. Within the organization itself they have voted in favor of more free days per month. This has motivated the VVDM to conduct more intensive action during the past several weeks. In many barracks soldiers are being welcomed on Monday mornings with a board that reads: "You are 2 hours too early. Good morning. The VVDM."

At the same time pamphlets listing the demands are being distributed. Members of the VVDM do not hesitate in looking for the youths in their own rooms. This is a method of operation which this soldiers' association had neglected for a few years. Stijnen explained: "However, because of the success of the other organization involved, the ANVM [expansion unknown; possibly Algemeen Nederlandse Vereniging Van Militairen-Netherlands Association of Military Personnel] we must go on doing what we are doing.

Posters

In the meantime the competition with the ANVM has degenerated into an outright squabble. Of all things a VVDM pamphlet aimed at a sensitive spot of the ANVM is asking ANVM members to switch membership if they agree with the demands being made by the VVDM. In retrospect Stijnen reconsiders: "Perhaps we could have done that better because, as representatives of soldiers, it is better to be on the same line when discussing matters with trade unions."

Nevertheless the action coordinator remembers full well that even the ANVM has many times come out of the corner in an aggressive mien. Thus it was this very trade union which, in promising an insurance to soldiers and in distributing posters, robbed the VVDM of many members. "Fortunately" last year the membership remained at 5,000.

Close collaboration between the two competing soldiers' trade unions is therefore hardly to be expected. When asked about the VVDM's action in favor of the 2 hours on Monday mornings Pieter van den Ban, the chairman of the ANVM, called it "senseless." According to Van den Ban: "Many soldiers work in shifts and, for example, they start later at the air force; so, listing themselves down for such a unilateral choice of time for being on duty, as the VVDM is now proposing, is therefore senseless." However, what the ANVM wants is not yet clear and as Van den Ban put it: "We still have to make low level decisions on this."

Sjoel Stijnen cannot quite bring himself to understand such a lackadaisical attitude. His view is: "You must not discuss this just within an isolated little club. Naturally we are also engaged in discussing this matter, but we see more good in actions. You achieve much more with that, because Defense is very sensitive to negative publicity."

Worthless Jest

As an example he brought up a nice success story from previous years. Stijnen: "After our so-called National Salute Day that mandatory salute vanished in no time at all. On that day we saluted not only officers but also each other ... worthless just, chickens running around. Just then Defense realized the foolishness of saluting and just as quickly this little game was all over for them."

That happened before 1980. After that year, as Stijnen noticed, the activist mood of Soldier John shrunk down like a pudding. The economic recession was felt in the army. Many young men were glad to get off the streets and be able to earn a reasonable pay in the army. But, the same economy that drew them to the army is now driving the recruits to the street in possible protest. Stijnen: "The soldier now finds himself in such a miserable situation that he is again becoming critical as a result of his misery. His purchasing power has dropped by 30 percent and this has given him a rude awakening."

Neighborhood Youths

During the months ahead the WVDM will in fact concentrate its activities on the financial problem. The resolution has been taken to involve not only Soldier John, but also the services rank and file. Stijnen explains: "We are now distributing cards aimed at getting the rank and file to become active also."

Last week a great number of cards were handed out at the Binnehof Building at which time the WVDM handed a packet of 1,000 signatures to General Nijhout, deputy chief of the Defense Department's Personnel Affairs. On the occasion the general's attention was drawn to the fact that a great number of recruits want 2 free hours on Monday mornings.

Stijnen: "Although the decision is going to hold for the rest of the year we are going to fight on. At the end of this month we are going to sit around the table with other unions to see what the selection of working shifts is going to look like after January."

7964

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MILITARY

NORWAY

NAVY CHIEF WANTS TOUGHER RESTRICTIONS ON BLOC 'RESEARCH' SHIPS

Oslo AFTENPOSTEN in Norwegian 16 Aug 85 p 56

[Article by Liv Hegna: "Navy Wants to Have Control Over Research Along Coast: New Regulations Desired"]

[Text] A short time ago the Soviet vessel "Kazakstan" was chased away from Geiranger Fjord. The reason was that the vessel was engaged in illegal diving work. Four violations of Norwegian ship's call regulations by several nations have taken place so far this year. The navy realizes that the research and measurements which are being performed in our fjords can just as well be military intelligence operations.

Rear Admiral Rolf E. Pedersen tells AFTENPOSTEN that it has been proposed in the navy to appoint a committee to develop regulations aimed at research operations at sea.

They are concerned in the navy about increasing commercial activity in Norwegian waters at the same time as the number of State harbor pilots is declining. If the number is reduced further, the navy will receive more duties. Business interests and the navy are on a collision course, Rear Admiral Rolf E. Pedersen asserts.

Pilots' Director Svein Ording confirms to AFTENPOSTEN that the number of State harbor pilots has already been reduced from 340 to 300. At the Norwegian Harbor Pilots Federation it was confirmed that there is now talk of a reduction in the number of pilots by 20 men in Oslo Fjord alone. The reduction will be 100 men on a nationwide basis.

Reports from other countries say that injunctions regarding piloting duties are in the making. Denmark, for one, has launched a bill regarding compulsory piloting in Danish channels and straits. Compulsory piloting in these waters is being justified primarily by the fact that incidents of running aground have recently resulted in pollution of the water with oil, among other things.

Rear Admiral Pedersen, who is commander of naval forces in South Norway, puts it to AFTENPOSTEN that there is "something strange" that a country in our closest vicinity is tightening up the rules regarding compulsory piloting while in Norway it seems we are going in the opposite direction.

AFTENPOSTEN was notified at the Foreign Affairs Ministry that compulsory piloting for foreigners is regarded as disadvantageous in the competition context in connection with the oil business. This argument will be able to contribute to a softening of the rules regarding compulsory piloting, it is said.

The question of the consequences is asked in the navy. "There is no less expensive and more effective way of preventing unauthorized access to prohibited Norwegian ocean areas than to enforce compulsory piloting for all nations," Rear Admiral Pedersen says.

Boats in commercial traffic have the right to sail freely in coastal waters in the channel and to and from Norwegian ports. In connection with the increased activity in the North Sea, it has gradually become a problem to define what commercial traffic is.

For the navy's part the difficulties are associated with the desire to pursue research activities in Norwegian fjords. It is obvious that some of the research and measurements which are taking place are of importance just as well for military intelligence operations. "The regulations in effect do not to a sufficient extent regulate research activity," Pedersen says.

The navy has proposed that a committee be appointed to develop regulations and a service directive in connection with this activity. "We must ourselves decide which areas research will be permitted in," Pedersen says.

In the navy the question is being asked in addition of why a nation like the Soviet Union with such a high-technology warship fleet can let old vessels of poor seaworthiness (like the "Sevastopol," for example, which illegally entered Tana Fjord a short time ago) sail along the Norwegian coast in transit between the Baltic and Murmansk. Pedersen says that a shipwreck with these river boats could cause considerable difficulties for ship traffic.

The "Sevastopol" is a revenant in inner Norwegian waters and has often been a big irritation to Norwegian authorities. The last time it arrived illegally in Norwegian waters was in Tana Fjord after the big Soviet naval exercise recently. The picture [photograph not reproduced] was taken while it was staying off South Norway.

Such Are the Rules

Foreign non-military vessels in commercial operation are permitted in inner Norwegian waters for sailing through channels to and from Norwegian ports where they have missions or where it is natural to sail when it is otherwise necessary for the ship's mission. Vessels can, in clear distress or by reason of an act of God, put into a port of refuge, and must then as soon as possible report their arrival in Norwegian territory to Norwegian port or police authorities. Vessels of over 50 gross register tons are not permitted to sail in prohibited ocean areas without a Norwegian State pilot. Foreign non-military vessels which do not have authorized access to inner waters must obtain diplomatic clearance beforehand in order to gain access to inner waters in Norway.

MILITARY

NORWAY

NORTH NORWAY FORCES COMMENTS ON USSR SHIP VIOLATIONS

Oslo AFTENPOSTEN in Norwegian 29 Jul 85 p 3

[Article by Liv Hegna: "Foreign Department Evaluates Reactions to the Tanafjord Episode"]

[Text] Today, the Ministry of Foreign Affairs will probably receive the police report on Friday's episode, when a group of Soviet merchant ships illegally entered Tanafjord before the Norwegian authorities ordered the intruders to leave Norwegian waters. For the time being, Ministry of Foreign Affairs Undersecretary Torbjorn Froysnes does not want to comment on whether the Soviet ambassador in Norway will be summoned to give his version of the incident. "Whether and how we will possibly react will be determined only after the police report has been studied," Froysnes tells AFTENPOSTEN.

"No country in the world has sufficient resources to turn away merchant ships even before they have entered one's own waters." Lieutenant general Ulf Berg, commander-in-chief for Northern Norway, gave this answer in response to a question why the Navy could not have turned away the Soviet group of merchant ships before they had started their illegal sailing into the Tanafjord on Friday. "This actually is not the primary responsibility of the Defense," he said.

Lieutenant general Ulf Berg emphasizes that naturally the situation would have been quite different if it had been a matter of military vessels. However, it is confirmed that the group of merchant ships which penetrated the Tanafjord presumably participated in the recent large Soviet military exercise. During the return voyage to Murmans, however, they went as civilian traffic.

Lieutenant general Berg points out that it is not the primary responsibility of the Defense to carry out police missions such as turning back civilian vessels. He adds that the Defense provides material and personnel to the extent they can be spared. However, Berg would like to defuse the Tana episode on Friday: "There is nothing sensational about ships seeking refuge in a harbor. The fact that the Norwegian authorities evaluated the situation such that there was no need to take refuge in a harbor and gave the intruders the order to leave Norwegian waters, is completely normal to start with," says lieutenant general Ulf Berg.

It was the merchant ship "Sevastopol" which conducted the communication with Vardo Radio when the Soviet ships invoked the rule of an emergency harbor for themselves. However, it is not the first time that the "Sevastopol" has violated Norwegian waters. In 1978, also in July, the "Sevastopol" and three bulk carriers "Lena 2013", "Lena 2016" and "Lena 2017" had to be hoisted with the help of the Navy after they did not follow the police's order to leave interior Norwegian waters outside of Mehamn in Finnmark. Bureau chief Yngve Gabrielsen in the Ministry of Defense told AFTENPOSTEN at that time that one could not ignore that the "Sevastopol" and the other ships' action was a test of Norwegian readiness.

The tugboat "Sevastopol" was also in Norwegian waters illegally in July of 1982. At that time this vessel sailed illegally along the Norwegian coast in interior sea lanes. Later that same year it towed the "Malay Taymyr" without permission, which had experienced engine damage while being in interior Norwegian waterways.

The rescue cruiser "Sjofareren" discovered the Russian merchant ships which moved illegally in the Tanafjord. John Ronneberg, the skipper on the "Sjofareren", tells AFTENPOSTEN that they caught sight of the ships while they were sailing westward towards Omang before they turned into the Fjord. The ships clearly had turned around when they presumably were in the area North of Batsfjord. Ronneberg did not have an opinion as to what merchant ships with river boats as deck cargo should be doing inside the Norwegian fjord. The merchant ships remained illegally in Norwegian waters for several hours before they disappeared on the police's order.

Neither can Morten Rynning, acting chief of police in Vardo, give a reason why the Russians entered Tanafjord as their reason that they needed an emergency harbor was not accepted.

When it comes to merchant ships sailing through lawfully, this should be requested through diplomatic channels two weeks in advance. However, it seems to be clear that if the six merchant ships with channel boats or barges on board were to conclude their part of the military exercise with a deep penetration of a Norwegian fjord, a diplomatic clearing in advance with regard to the rules would not have served their purpose.

12831

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MILITARY

NORWAY

SCRAMBLE ROUTINES TO COUNTER USSR AIR THREAT DESCRIBED

Oslo A MAGASINET [AFTENPOSTEN Supplement] in Norwegian 7 Sep 85 pp 32-36

[Article by Oddbjørn Monsen: "Hot Scramble"]

[Text] Each year the Norwegian air force intercepts 150 to 200 Soviet planes. With a base on the Kola Peninsula, they pursue surveillance and intelligence activities along Norway's coast. Norway's air police, the 331st and 332nd squadrons, keep an eye on the Russians.

The two F-16 planes from the 331st squadron in Bodø are roaring northward along the coast of North Norway. Norway's air police are in the air again. In order to intercept Soviet planes which are in the air space west of Troms County.

Behind the stick sit Lieutenant Arnfinn Seim from Røyken and Second Lieutenant Øyvind Olsen from Jessheim. The pilots are still communicating with the civilian control tower in Bodø. But over Vest [West] Fjord they abandon the civilian tower frequency and make direct contact with the military radar station which is to control the interception. Seim and Olsen can make out the northern tip of Andøya [Duck Island] before they continue northwestward over the sea. Near Andøya they receive the order to increase their speed to supersonic, about 1500 km/h.

The F-16's are armed. But this time, too, the camera is the "weapon" which will be used against the Soviet planes.

Both of the Soviet planes, which were en route southward, turned around northwest of Andøya and are now holding a northward course. They have a speed of 750 km/h. Seim and Olsen are quickly nearing the target. From about 15 nautical miles they caught a glimpse of the foreign planes, like small mosquitoes. The distance dwindles to a few hundred meters and the "mosquitoes" grow into two-engine medium-weight jet bombers of the Badger E and K types.

The Badger appears in a number of versions, including as bombers, missile carriers, electronic reconnaissance planes and as tanker planes. They usually have a crew of six men.

Their arms can vary, but normally a Badger is outfitted with seven 23-mm guns. One in the nose, two in the belly turret, two in the back turret, and two in the tail turret.

Lieutenant Seim goes as close to the Soviet planes as the guidelines permit. An important part of the job is identification and photographing. Second Lieutenant Olsen stays a little farther away but he also photographs what takes place. The Soviet crews, which are pursuing electronic intelligence gathering, answer by photographing the F-16's.

A routine mission has been completed, and the F-16's return to the Bodø air station. There technicians are waiting to make the planes ready as quickly as possible. Behind each hour in the air, about 25 hours must be worked on the ground in order to keep an F-16 ready.

The two Soviet planes had been detected earlier in the day on one of the armed forces radar sets in East Finnmark. It is a simple matter to establish nationality when a plane comes from the Kola Peninsula. After having passed East Finnmark, the two intelligence planes began to circle around some vessels which were 80 nautical miles northwest of the North Cape.

The sector controller on duty at Armed Forces Command North Norway was sitting and following the Soviet planes' movements by means of radar.

The planes of the 331st Squadron were notified by telephone and telebrief.

The sector controller is sovereign. He alone makes the decision whether the F-16's are to take off in order to take a closer peek at the Russian bear.

The F-16 pilots' emergency watch is shared by the 331st and 334th squadrons at Bodø Air Station. They are under allied command, exercise through Armed Forces Command North Norway, and are part of an air emergency service which stretches from North Norway to Turkey. Important episodes in the northern regions go directly to the operations section, to the North Command at Kolsås near Oslo, and to NATO headquarters in Brussels.

Experienced F-16 pilots have good noses. In plenty of time before the alarm sounds, or Hot Scramble as it is called, they are in full gear. Rapidly and skillfully they put on the G-suit, a suit which prevents the blood from disappearing from the brain and going down into one's feet during a sudden maneuver. This takes place automatically by air's being pumped into the suit around the calves, thighs and stomach and pressing the blood up into the body when the need arises. Then come the survival suit, gloves, helmet and parachute harnesses. The whole time the pilots are kept informed--via the telebrief--of the Soviet planes' number, position, course, speed and altitude.

Hot Scramble!

Seconds count. After two minutes the pilots and technicians leave the alert bunker. In the third minute they drive to the hangar. The fourth minute: The pilots are buckled securely into the planes, the hangar gates open, and

technicians check the planes for the last time. The fifth and sixth minutes: The engines start, the instruments are checked and the navigation equipment is warmed up. The seventh minute: The F-16's taxi out of the bunkers and seconds later they are in the air.

"The Kola Peninsula is one of the Soviet Union's most important bases," newly appointed Air Force Inspector General Olav Aamoth says.

Aamoth was previously a major general and chief of the air forces in North Norway. At age 50 he is still an active F-16 pilot.

"A large part of the traffic from the Kola Peninsula must pass us. We intercept 150 to 200 Soviet planes a year. The number of planes which are identified is double this amount. Soviet pilots conduct themselves properly. In the 17 years I have been in North Norway Soviet planes have entered Norwegian air space only five times. In the armed forces we are willing to think that this was due to faulty navigation," Inspector General Aamoth says.

To intercept a Soviet plane can sound dramatic. Some believe that Norwegian pilots take to the sky to prevent a Soviet plane from entering over Norwegian territory. Fortunately, the operation takes place in far more peaceful forms. In a Hot Scramble, the F-16's go up to identify, photograph and often shadow the movement of Soviet planes along the Norwegian coast. They usually go down to the coast of Helgeland before they turn around and return to the bases on the Kola Peninsula.

Soviet air strength has undergone formidable technological development the last few years. The planes have gotten a far greater capacity to perform strategic and tactical duties. They have also gotten a longer range, better self-protection and far more effective weapon systems which permit weapon delivery from various altitudes and at long distances from the target.

"During the last few years we have not recorded any particular increase in Soviet air activity," Bodø Air Station Chief, First Colonel Per-Inge Utgård says.

"Four nautical miles from land the planes are outside our territorial boundary. There is nothing to indicate that the Soviet Union is trying to violate our border. We are striving for low tension in the north, and we believe that the Soviet Union is doing the same. There is also nothing provoking in maneuvers by Soviet pilots when they meet our pilots in the air," Utgård says.

[Question] So, it is just Sunday school situations here?

[Answer] Utgård smiles warmly. "The Soviets' operations can be divided into three phases. The planes conduct regular exercises together with the Soviet North Fleet. They watch over air and sea areas and they pursue intelligence activities. Our open communications are monitored to a great extent."

Utgård calls attention to the F-16 pilots. "We have perhaps not had better air personnel than today," he says.

But if the pilots are capable, then the armed forces have too few of them. SAS and Braathen attract with good salaries. It has also become automatic that pilots begin in civil aviation after they are finished with compulsory military service.

During the first six years of an F-16 pilot's career the community has invested 16 million kroner per man. "It is a national economic 'hole in the head' that the civilian airlines are able to pluck up our people in this way," Rygge Air Station Commander, Colonel Ørnulf Thune has said.

But if the shortage of personnel is turning the hair of the armed forces leadership gray, they are full of praise about the F-16 plane.

One of the F-16 pilots at Bodø Air Station, Captain Einar Nordberg--who is also currently leaving the armed forces--gives top marks for both equipment, maneuvering capabilities and performance.

Kola Peninsula

The Soviet Union's ability to be able to strike at the USA is entirely dependent on the North Fleet. The Soviet Union has concentrated military strength of enormous proportions in the Murmansk area, about 100 kilometers from the Norwegian-Soviet border. The North Fleet has bases as close as at Pechenga Fjord, only 10 kilometers from the border. They stretch in a belt along the fjords to Murmansk. The combined strength of air, land and sea forces is estimated to be a good half million in the northern regions alone. There are 16 major military airfields on the Kola Peninsula. Large strategic bombers of the Badger, Bear, Bison and Backfire types, which can carry nuclear weapons, as well as intelligence gathering planes of the Cub and Coot types, regularly patrol the ocean areas off Norway.

Four Planes Lost

The first F-16 out of a series of 72 landed on 15 January 1980. The last plane arrived in June of last year, and today there are 68 left.

Two men lost their lives. Statistically, the armed forces will lose a fighter plane after about 12,000 hours in the air. Today the armed forces are a little better off than this statistic, which indicates that at least one F-16 plane can be lost on average per year.

The first F-16 accident took place near Tunnhovd Fjord in Buskerud on 2 June 1981. Twenty-eight-year-old Captain Morten Kjøpke collided with a crane. Kjøpke managed to eject himself before the plane hit the ground.

Accident No 2 occurred on 31 January 1983. A pilot perished when he collided with a power line over Tys Fjord in Nordland.

On 13 November of last year the third F-16 was totally wrecked. The plane went up in smoke at the Rygge main air station in Østfold. The fire was discovered in the plane's tail and the two pilots, Major Gordon David Pyper from Great Britain and Captain Dean Coletto from the USA, got to safety. But the firefighting crews did not manage to gain control over the flames.

The fourth and, up to now, last accident took place on 12 June of this year. The plane went into the sea while flying into Banak Air Station in Finnmark. The pilot, Asle G. Bjørkedal, ejected himself and saved his life. Banak Air Station Chief Lieutenant Colonel Arne M. Holden was a passenger in the plane. He also managed to eject himself, but perished.

There has been no money set aside to purchase new planes.

8985

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MILITARY

NORWAY

DEFENSE COMMANDER REJECTS PROPOSAL TO CUT CONSCRIPT PERIOD

Oslo AFTENPOSTEN in Norwegian 24 Aug 85 p 33

[Article by Liv Hegna: "Shorter Service Term for Soldiers: Armed Forces Commander Says No"]

[Text] Horten. Regard for training requirements and the demand for readiness make reduction of the number of weeks of service time for soldiers unacceptable. The armed forces commander, General Fredrik Bull-Hansen, said this during the conclusion of the National Conference of Union Representatives yesterday.

"Norwegians are clever, but not so clever that we can manage with half of the number of days of service time as our possible opponents have or as our allies think they have to use for professional troops," the armed forces commander said in his speech.

General Fredrik Bull-Hansen stressed that he has ordered the inspector generals of the three branches of the armed forces and the Home Guard to see to it that there will be the most equality possible in programmed service time in the armed forces. "It is the product which counts, and it is this which contributes to respect for the Norwegian armed forces," he said.

The union representatives apparatus is an important resource which is not being fully utilized in a number of units and detachments, he said, and pointed out that common welfare measures and simple maintenance duties like cleaning and painting the rooms the soldiers live in can be done by the soldiers themselves: "We can save money here," the general said, and added that his own experiences from the union representatives apparatus at the detachment level have been good.

"The disbanding secretariat has shown a very good ability to prioritize matters and argue in behalf of its own views," Bull-Hansen said. He held forth that it has not always been so. "The time the union representatives apparatus was organized it was misused politically, and the soldiers were the object of manipulation. It was not good that the union representatives arrangement provoked skepticism among large portions of the Norwegian people. I am very happy that we are now on another street. We have gotten a spirit of cooperation between the soldiers and the leadership. It is

important that we now cement an arrangement which can survive times with not quite so mature and responsible youth as we have today," Fredrik Bull-Hansen said.

In addition, the armed forces commander brought up the mob problem in the armed forces: "We must not become oversensitive and overreact to the problem, but we cannot accept the tendencies toward primitive and stupefying harassment of others as we have some places. It breaks down the solidarity and comradeship which is so decisive for well-being and for a unit's ability to function in peace and in war," the armed forces commander said.

"I expect results from the inquiries the defense minister and I made of the Norwegian Employers Association concerning the introduction of wage seniority for compulsory time served. This has been solved as far as the public sector is concerned. I register basic understanding by industry agencies on the private sector side. However, up to now it has been difficult to reach binding arrangements. I see clearly that the accomplishment of a formalized arrangement for private industry involves problems. It also did when we solved the matter within the public sector and when we went through with seniority points in acceptance for further training upon completed first-time service."

"For this reason I have faith in the fact that those problems which remain also can be solved," Armed Forces Commander Fredrik Bull-Hansen said.

The at least 120 soldier and junior and noncommissioned officer delegates at the National Conference of Union Representatives elected these three as their top union representatives for an additional year [photograph and caption not available].

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MILITARY

NORWAY

SUBMARINE ELECTRONIC COMMAND/CONTROL SYSTEM FOR FRG FIRM

Oslo AFTENPOSTEN in Norwegian 29 Aug 85 p 48

[Article by Brit Myhrvold: "One Hundred and Eighty Million Kroner Worth of Submarine Equipment from KV [Kongsberg Weapons Plant]"]

[Text] Today Kongsberg Weapons Plant is signing one of the major contracts involving the new submarines in the ULA class which have been ordered from Thyssen Nordseewerke [Thyssen North Sea Works]. The contract concerns the electronic command and control system in the submarines and is worth 180 million kroner.

The systems are to be supplied from 1988 to 1992. KV will also supply this equipment for the next generation of German submarines in the 1990's.

The development work began in 1980 according to an assignment from the navy and, among other things, a new computer and new workstations have been developed for this project. Some of the components will be able to be used for other defense contracts. The project will also produce positive chain reactions for KV's competence in several civilian growth areas, the leader of KV's defense division, Jens Ch. Width, tells AFTENPOSTEN.

Defense Minister Anders C. Sjaastad reports that this contract is the result of the Defense Ministry's industry agreement involving submarine contracts. When the contract was entered into with Thyssen for building the six submarines, Thyssen obligated itself to make purchases to the tune of 60 percent of the contract sum in Norway. It was also a condition that products which develop Norwegian industry were to be purchased. In addition to this, the two countries' governments entered into an agreement to the effect that there must be a balance between purchases and sales between the two countries, so that full compensation is achieved in reality.

Sjaastad reports that Thyssen is now nearing 50 percent in its contracts with Norwegian industry. The cost of the submarines is 2.4 billion kroner, while Thyssen up to now has purchased about 1.15 billion kroner worth in Norway.

Sjaastad says that Thyssen with German thoroughness has gone to Norwegian industry to hunt for projects. His impression is that Thyssen has had positive experiences with what our industry has to offer. The Defense

Ministry is consciously banking on Norwegian industry's being able to profit when major contracts are entered into with foreign companies. This will provide an opportunity to develop technology, which is at the very forefront.

But according to the defense minister Norwegian industry can be more aggressive in this market and exploit the possibilities better. This concerns, not least, competing for open contracts in other NATO countries in joint-financed projects. These are always open to international competition, Sjaastad says.

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1 October 1985

MILITARY

NORWAY

SOUTHERN NAVAL COMMANDER PLEASED USED SUBS GOING TO DENMARK

Oslo AFTENPOSTEN in Norwegian 29 Aug 85 p 32

[Article by Pernille Lønne Christiansen: "Norwegian Submarines Sold"]

[Text] Three of the 14 Norwegian Kobben [Seal] submarines have been sold to the Danish armed forces. The subs will be modernized and will constitute the major portion of the Danish submarine force. Six of the old submarines are being retained in Norway, while six new submarines of the ULA class will strengthen the underwater defense of Norway's coast. Captain Eivind Hauger Johannessen is pleased over the sale of the submarines to the Danes because this will contribute to strengthening the defense capacity in Norway's nearby regions.

Hauger Johannessen is glad that the Danes found a solution to their submarine problem and says they will get submarines which are completely battleworthy. Veritas found both the hulls and machinery of the 20-year-old Kobben submarines in good condition, and after modernization 9 of the 14 submarines will be fit for use from now to the turn of the century.

Rear Admiral Rolf E. Pedersen, commander of naval forces in South Norway, says in a commentary that he regards the sale of the submarines as a good solution both for the Norwegian and Danish armed forces. In addition to the six modernized Kobben submarines, Norway will get six larger submarines in the ULA class from Germany.

Pedersen reports that the price question is still uncertain, among other things, because the Americans formally own half of the Kobben class.

The Danish purchase of the submarines is part of the armed forces compromise between the Danish governing parties and the Social Democrats. This compromise extends to 1987. Originally the Danes had thought of leasing three submarines, but computations demonstrated that a purchase would be the best solution, according to [Danish] Defense Minister Hans Engell.

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MILITARY

NORWAY

HELICOPTER REPLACEMENT IN ARMY

Oslo AFTENPOSTEN in Norwegian 4 Sep 85 p 4

[Article by Cato Guhnfeldt: "Helicopter Replacement in Army"]

[Text] After many years of waiting, the procurement of new helicopters for the army is now approaching. The new helicopters will replace the army's Bell UH-1B helicopters which have now been in service for over 20 years. To begin with, there is talk of purchasing 12 helicopters, with the possibility of expanding the number if sufficient appropriations are gotten. The new helicopter will be able to transport a group of eight winter-outfitted soldiers and for this reason is expected to be somewhat larger than the Bell helicopter, which normally carries only five soldiers with this equipment.

The Armed Forces Supply Command at the end of July sent out requirements for specifications together with an invitation to five helicopter manufacturers to submit bids before 16 September of this year. These will then be evaluated in the usual manner and the final choice of the type of helicopter will hardly be made before next spring. To begin with, it is believed that the new helicopters will be stationed in North Norway, possibly with the 339th Squadron at Bardufoss, although no decisions have been made about this for the present.

The market for this type of helicopter in the military version is rather small at the present. For this reason, stiff competition for the Norwegian helicopter order is expected. A favorite among manufacturers is the American Bell firm, which has three helicopter types all of which, to begin with, meet the specifications established: the military versions of the 212, 214 and 412 models. It is known that many within the armed forces would like to see Bell chosen, which it is believed will make the change to a new type of helicopter easier, both in terms of maintenance and operationally. The Italian Augusta helicopter manufacturer has also been invited to take part in the competition with its special version of Bell's 412, as well of the 212 model, both built by license. The French are part of the competition with their Aerospatiale Super Puma, while the English, represented by the Westland plant, can offer the TT-30 helicopter. An outsider from the same plant is the Commando helicopter, the army model of the familiar Sea King helicopter which is used as a rescue helicopter in the 330th Squadron. Finally, it is

necessary to mention the American Sikorski plant's Black Hawk helicopter and the helicopter designated the S-76. However, the latter are right on the borderline of the specifications which the armed forces have now set.

The large financial outlays for the purchase of the F-16 fighter planes must bear the main responsibility for the fact that a decision regarding new helicopters for the army has been postponed for many years. However, now the go signal has been gotten from the political authorities for the earmarking of helicopter money in the coming national budget.

"Twelve new helicopters are to be regarded as an absolute minimum," says the chief of the helicopter office at the Armed Forces Supply Command, Major Reidar Andersen. "For this reason a follow-up purchase would be highly desirable, without my wanting to say how many extra helicopters it should be a question of."

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MILITARY

PORTUGAL

BRIEFS

SIX ANTISUBMARINE AIRCRAFT PURCHASED--Six new type P-3B planes intended for sea patrol duty and equipped for antisubmarine warfare were purchased by our country. The contract with the aircraft construction company, signed by the air force chief of staff, by delegation of the minister of defense, provides for the beginning of delivery of the planes and their entrance into service by January 1988. According to a note distributed by the Air Force General Staff, "this will make it possible to fill an important operational requirement that has been left unfilled since 1977 through the grounding of the P2V5 planes by obsolescence and difficulty of maintenance. The six planes, which will be stationed at the Ovar Air Base, according to the Portuguese News Agency (NP) citing an official Air Force General Staff source, are going to operate in the Portuguese Atlantic and Island area. According to the document cited, they are adequately equipped "for antisubmarine warfare, especially for the detection, location and pursuit of submarines." The purchase of these planes will permit joint actions with units of the Portuguese navy and with other allied navies and air forces. It is hoped that this system will contribute to "reinforcing the exercise of sovereignty over the national spaces" and enable us, within the limits of our possibilities, "to assume the responsibilities incumbent upon us from our membership in an alliance and from imperatives of a national nature." [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 17 Jul 85 p 4] 8711

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MILITARY

SWEDEN

SHIPBUILDER DEVELOPS NEW ENERGY SYSTEM FOR SUBMARINES

Stockholm SVENSKA DAGBLADET in Swedish 11 Aug 85 p 12

[Article by Carl-Ake Nilsson: "New Energy System Improves Submarines"]

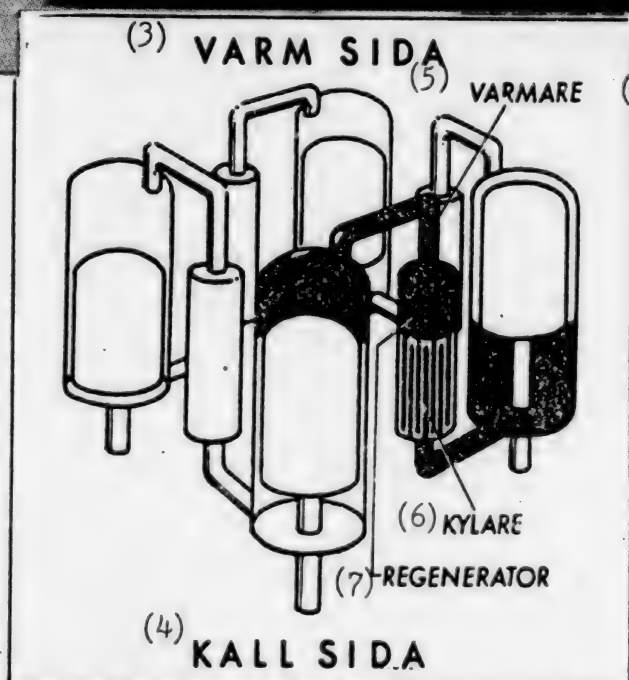
[Text] An entirely new energy system for submarines has been developed at Kockums shipyard in Malmo. The project, which is called TILLMA and is based on a principle from the early 1800's, makes Swedish submarines capable of patrolling in a submerged position for weeks instead of days.

Malmo--TILLMA stands for additional machinery, and since its inception in 1983 the project has been conducted by Kockums and the Defense Materiel Agency in close cooperation with United Stirling Inc. of Malmo and ACA Cryo. The engine in the additional machinery is based on the Stirling principle and the goal has been to develop an electrical energy-producing system which allows the submarine to patrol in submerged position without using its lead batteries. The demands were for the machinery to be independent of air, free of vibrations and silent-running, the latter particularly important in order for the submarine not to be traceable by its enemies.

"The entire justification for the submarine is based on its being neither heard nor seen. This is why the demands for it to be able to remain underwater for a long time have kept pace with the refinement of submarine tracking methods. In order to operate under water the non-nuclear-powered submarine must use an electric engine and the batteries are the factor which up to now has limited the time in submerged position. The new machinery increases the sub's endurance from days to weeks," says project leader Olle Persson at Kockums.

Long History

The Stirling engine has a long history behind it and many hopes of being able to make it commercially profitable have come to nothing. The idea for the very complicated working method of the Stirling engine was originally hatched by Scottish minister Robert Stirling, and he initiated his development work in 1816. At the beginning of our century there was a functioning Stirling engine, but the development of the Otto-cycle engine, that is to say the gasoline or diesel-powered combustion engine in the cars of our time, rapidly made the Stirling engine uninteresting, which is not to say forgotten, however. In the 1930's the Dutch Philips conglomerate tried to develop it



(1) I en sådan här ubåtssektion testas stirlingmotorn på Kockums i Malmö.

- Key: 1) A submarine section of this type is used to test the Stirling engine at Kockums in Malmö.
- 2) The actual propulsion source for the Stirling engine is heat, but it can also be driven with gas. In the TILLMA project propulsion takes place when helium moves from the cold side to the hot.
- 3) Hot side
- 4) Cold side
- 5) Heater
- 6) Cooler
- 7) Regenerator

(2) Den egentliga drivkällan för stirlingmotorn är värme, men kan också drivas med gas. Framdrivningen i TILLMA-projektet sker när helium förflyttar sig från den kalla till den varma sidan.

into a small source of electrical energy which could replace the batteries of a radio receiver, but then the transistor arrived, which required only a fraction of the energy requirement of the tube radio receiver, and once again the Stirling engine had been bypassed by the development.

In the 1960's United Stirling Inc. was formed in Malmo and the business idea was to develop Robert Stirling's engine into a new automobile engine. For despite the fact that the Stirling engine so far had never been able to compete with the Otto-cycle engine, it has a number of advantages. Its effectiveness is higher and the effect curve reaches its maximum level far earlier than that of the diesel engine. It is energy-efficient and far better for the environment than the Otto engine. The major problem has been its complicated method of working, which has made it financially uninteresting for the automobile industry.

Driven by Heat

Just as the Otto-cycle engine in our cars it has cylinders, pistons and a cyclical method of working. But there the similarities end. The propulsion of the Otto engine takes place when gasoline or diesel oil is sprayed into the cylinders, ignited and converted into a gas which expands and pushes the piston downward. The Stirling engine is also powered by gas, to be sure, but the actual source of propulsion may be said to be heat. Any type of heat. From solar collectors or burning oil--it does not matter. The heat is produced outside the engine and is used to heat up the so-called working gas which is located in a closed system inside the engine itself. In principle the Stirling engine can be said to have a cold and a hot side, and propulsion takes place when the working gas, in the TILLMA project it is helium, moves from the cold to the hot side.

The TILLMA project engine has four cylinders, and the cold side in one cylinder is connected with the hot side of the next cylinder. When the piston of the first cylinder is pressed down, the gas on the cold side is pushed into the connecting channel to the hot side of the next cylinder. In the connecting channel the gas is heated by a heater, and when the gas becomes hot it expands and moves the piston of the next cylinder. When the piston of that cylinder has reached the bottom position, the crankshaft has made a one-quarter turn or 90 degrees.

Now that the gas has done its job it returns to the cold side of the first cylinder. On its way back it passes a regenerator and a cooler. The regenerator absorbs and stores the main part of the heat from the working gas and the cooler reduces the temperature further before the gas flows into the cold side of the first cylinder. The stored heat is then used in the next heating cycle and thus improves the fuel economy.

Disappears Without a Trace

The heat which needs to be added to continue the process is produced by burning diesel oil from the sub's tanks together with pure oxygen in a high-

pressure chamber. The high-pressure chamber does not differ in principle from an ordinary oil-fueled furnace. The high pressure in combination with the pure oxygen and a recombustion of the exhaust gases make the combustion complete, however, and the final exhausts therefore consist only of carbon dioxide and water. This is why it is possible to release the exhausts from the submarine without risking that it will reveal its position, since the carbon dioxide and water combination is water-soluble and disappears without a trace when it leaves the submarine.

One of the more difficult problems for the TILLMA project to solve has been to find a way to store enough quantities of oxygen on board a submarine.

"The simplest solutions are often the best and AGA Cryo has constructed something that can be described as a vacuum-insulated thermos bottle for storing cooled liquid oxygen," assistant project leader Par Dahlander says.

Detailed data on the significance the TILLMA project will have for the Swedish antisubmarine weapon are not possible for reasons of secrecy.

"We know that other nations are ready to start similar projects, but we believe that we have come the farthest," Olle Persson says.

But a 200-hour-long test run was undertaken during June at Kockums, in which the Stirling engine of the TILLMA project had to drive a generator which delivered electric power to one of the submarines of the Swedish Navy. The tests were successful and Olle Persson confirms that the engine is ready to be installed in one of the Navy's submarines for test operation in the near future.

The project probably means a commercial success for the Kockums shipyard. Contracts have already been signed with the French diving company Comex for installation of a civilian version of the Stirling engine in a minisub used for off-shore tasks. When the decision regarding who will be allowed to build Australia's new submarine fleet is to be taken, the TILLMA project may tip the scales in favor of Kockums. Australia has not requested that the Stirling engine be included in the submarine now being designed by Kockums for the Australian Navy in competition with a West German shipyard, but it is well known that they are interested and have asked for the right of first refusal for the first really successful effort to implement Robert Stirling's idea.

11949

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MILITARY

SWEDEN

ARMY COMMANDER DEFENDS CAPABILITY OF FORCES

Stockholm SVENSKA DAGBLADET in Swedish 13 Aug 85 p 3

[Op ed article by the Army Chief, Lt Gen Erik G. Bengtsson: "The Army Chief Responds to Former Defense Minister Lars de Geer in the Defense Debate; Serious Accusation of Grave Negligence"]

[Text] Erik G. Bengtsson is Lieutenant General and Army Chief.

The defense debate is in full swing, in this newspaper as well as in others. Obviously I do not object to this. On the contrary: I want to emphasize that it is important to have such a debate, particularly before a defense decision. A new such decision is to be taken in 1987, and the Armed Forces are, of course, the concern of the entire Swedish people.

However, I was almost shocked to learn that I am the head of such a poor army as some debaters are asserting. For example, Lars De Geer generally says in his contribution that the Swedish defense of today (primarily the Army) is represented by "tin soldiers" or, which would sound better, "an armed people." It is further pointed out that the present situation can be described with the words: "a weakly equipped and insufficiently trained mass army, which in the event of war would suffer horrendous losses."

If this were true, it is a very serious accusation of grave negligence by responsible politicians (including defense ministers) and the highest defense leadership over many years. Today's Army is the result of deliberations and decisions which were implemented and made several years ago.

Effective Army

Obviously, the reader now thinks that I, as the representative of the establishment, will present a grand defense of the excellence of the present situation and document the unwillingness and inability for changes and renewal. This is not my intent. On the other hand, I find it appropriate to account for the condition of the Army today, at the same time as I want to point out the need for development and improvements.

It should be said immediately, however, that on the whole we in Sweden have an effective army with access to modern weapons and other equipment. For several

years we have been able to set aside about 1.5 billion kronor per year for materiel procurement. Beyond that, a great deal of money has been invested in research and technological development. Eighty percent of the materiel allocations goes to Swedish industry. In this way we insure that we receive the materiel we need most. We maintain a "Swedish profile."

A Large Number Required

In order to defend the entire country a large number of army units of various kinds are required. Only the general draft can guarantee this. Through basic training of all conscripts and by retention of the knowledge throughout the entire period of military service a defense system is achieved, which overall will provide the necessary effect.

This means that we can keep many field units, of which the advanced attack brigades constitute the core. In these units we have young personnel and the most modern materiel. When our conscripts and our officers get older, they are given a wartime placement in local defense units, which also receive older but still effective weapons.

Ultimately, when the conscript reaches 47 years of age, he may transfer to the home guard. In that system volunteer defense organizations also make very valuable contributions in the form of wartime personnel and training.

Strong Home Guard

The Home Guard is stronger than ever today, more than 100,000 men. It possesses many effective weapons, automatic rifles, antitank rifles and machine guns, and can operate defensive artillery of many kinds. Its preparedness is extensive. After a few hours the Home Guard is ready for battle at borders, coasts and air fields. It is trained for its tasks.

No attacker can disregard this defense across the entire surface of our country. A force of 100,000 prepared for defense on short notice does not invite surprise attacks.

The local defense with about 100 battalions and 400-500 independent companies is often locally recruited, with brief mobilization times. Since they take over trained personnel and materiel from the field units they are inexpensive units.

The local defense units often relieve the Home Guard and establish defense points at junctions in areas which are particularly important in order for us to be able to defend our country successfully. These units will guarantee freedom of action for our attack brigades and are a precondition for the latter being able to operate effectively. The local defense has good equipment for their tasks. They often have access to modern fortifications, developed in peacetime.

Hold up Well

The brigades are our most efficient units with about 5,000 men in each. They have modern and effective equipment, which holds up well in an international comparison. The automatic rifle (AK 4) is each man's weapon. A new one (AK 5) is being purchased. There is a large number of machine guns as well as antitank rifles and antitank guns. A modern air defense company equipped with Missile 70 forms a part of this.

The artillery consists mainly of Howitzer 77, a gun with a very high standard. In order to safeguard the mobility of the infantry and Norrland brigades, the world's best tracked vehicles (206), without boasting, are being added in large numbers. Other high-class material is also available. The list would be long.

If we were to be attacked, we could be certain that an attacker would appear with many armored vehicles. This is why an improvement of the antitank defense is under way. Thus, the organization will be receiving antitank helicopters in a few years. We are developing a new antitank missile (BILL) with a long range of fire and a typically Swedish construction.

A new lightweight recoilless antitank grenade launcher, as well as grenades for indirect antitank warfare, are being developed. This antitank system will insure that we will be able to counter enemy tank units wherever they attack over a wide front and with various forms of action.

Become Like New

The most advanced antitank weapon is our battle tanks. They are of older manufacture, to be sure, but by means of great financial effort they have been converted in order to remain battleworthy until about the year 2000.

A number of Centurion tanks have been equipped with new engines and new fire control equipment and in practice have thus become "new" (104). The tanks will be modified in a corresponding manner. Through these achievements we maintain freedom of action on the tank issue up to the 1992 defense decision.

The opportunities of an attacker to deploy various types of fragmentation weapons against our armed forces pose increasing demands on the mechanization of the Army, a development which will provide certain attack battalions with more protection in combination with good fire efficiency primarily against armored vehicles and armed helicopters.

This is why the new combat vehicle 90 is being developed in order to be part of these units. The mechanization of the Army has the support of previous defense decisions, and it should be possible to determine the first step in the new defense decision in 1987.

Improved Training

Our army units consist of personnel and materiel. All materiel is procured with a view to being used by our conscripts. With the technical knowledge and interest that young people have today, this is not a problem.

But one thing is certain: effective training is needed. In this area improvements are necessary, both as regards individual training and unit training. Furthermore, training in protection of various kinds must be expanded. This involves protection in a wide sense, against aircraft, against nuclear weapons and chemical warfare agents.

We are working hard on improvements within the training area and hope that we will obtain the necessary financial resources and find better methods and techniques. Good training is an important investment for the future and this capital must be held in good trust.

Cope With Mobilization

Incidents in our border regions, as well as the opportunities of an attacker to launch surprise attacks, pose greater preparedness demands on the Army. We all agree that it is not a question of defense against "a bolt from the blue." A certain amount of early warning can be anticipated.

No, it is essential to have so many "peacetime units" available that warlike incidents do not take a dangerous turn and that we can complete a mobilization with 100 percent certainty. Fully trained units are needed in order to do battle, either those which have completed their basic training and are being kept on or called-up wartime units.

In order to manage the first, more limited scope, certain changes are needed in the Army. Several training alternatives may have to be introduced. This is being taken into consideration in the peacetime organization work now under way.

General Misunderstanding

Lars De Geer concludes his contribution to the debate by saying that "it is a general misunderstanding that the strength of our defense depends on keeping on all the peacetime units; it is, after all, the demands of the wartime organization which must determine how many peacetime units are needed." The latter part of the assertion is entirely correct and this is also what has influenced the Army, above all in connection with and subsequent to the 1982 defense decision, with a number of units disbanded and other major changes.

But it is a general misunderstanding which has been expressed in recent times, that we in the Army do not realize this circumstance and hold "the barracks sacred." My aim from the very first day as chief of the Army has been

"Everything for the Wartime Units," and that is the essence of the activity today. It is also the essence of the work to review the entire peacetime organization, which is not a necessary evil but the core and precondition for a good wartime organization.

11949

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MILITARY

SWEDEN

BUDGET CONSTRAINTS FORCING CHOICES IN ANTISUB ARMS BUYING

Stockholm SVENSKA DAGBLADET in Swedish 13 Aug 85 p 9

[Article by Erik Liden: "Supreme Commander Forced to Choose Antisub Weapons"]

[Text] The replacement of the engines of the Navy's antisubmarine helicopters may take place early next year at the earliest, unless the order for the four coastal corvettes is split or put off until later.

This is the direct result of the decision by the administration and Parliament to divide Armed Forces contracts into 6-month periods.

In order to increase control and freedom of action before the 1987 defense decision, Defense Minister Anders Thunborg suggested in this year's budget proposal that all materiel orders for 1985/86 should take place semiannually. Further, the administration should make special decisions regarding 1,500 million kronor out of the 2,410 million kronor total allocated in so-called authorizations for the first half of the present fiscal year.

Unknown Cracks

For the Navy the parliamentary decision in May had the effect that only 94 million out of the 1,034 million kronor intended for future materiel orders are disposable without special government permission. The 940 million kronor available to the government were initially intended for the four coastal corvettes, which were assigned priority by Navy Chief Bengt Schuback with Supreme Commander Lennart Ljung's support in various plans.

The serious crack formations, which had already occurred in at least seven of the engine turbines of the antisub helicopters, were not known when Parliament made the decision to split the Armed Forces materiel orders.

With ordinary allocation by fiscal year the Navy would have been able to order new engines for the helicopters as well as four coastal corvettes. Since the engine replacement is a 25 million kronor deal, there is no room for it now at the same time as four coastal corvettes. Not until supplementary budget I, on which Parliament is to take a stand in January next year, can additional authorizations be obtained.

Supreme Commander Lennart Ljung protested vigorously against these divided orders when they became known in December last year. The supreme commander was of the opinion that the Armed Forces would be seriously hampered in their planning through this jerkiness.

Employment or Hunting

The political intention behind the materiel decision is to create the greatest possible freedom of action before the 1987 defense decision by avoiding being tied down for longer periods through materiel orders, for instance, which affect fiscal years all the way into the 1990's. This is why the supreme commander must simply give priority either to the coastal corvettes or to the antisubmarine helicopters in the allocation requests submitted on 1 October.

During the election campaign the government placed itself in a position in which it would like to announce that the coastal corvette order went to the Karlskrona shipyard in order to secure employment in a sensitive industry. This comes at the same time as all resources must be mobilized in order to improve the antisubmarine capability.

Dividing the orders postpones the engine replacement for the helicopters by at least 6 months, unless the administration is temporarily satisfied with ordering two coastal corvettes, for which there are advocates.

To temporarily borrow ordering space from other branches of the military is something the Navy cannot do. This is contrary to the constitution. Borrowing for a short time from other materiel projects is against the very idea of the planning system. Proposals have already been made to postpone the four submarines already under construction at Kockums in Malmo and at the Karlskrona shipyard.

With these planning worries, which cannot be definitively resolved until next year, the Navy can only use the antisub helicopters close to the coast and for greatly reduced operational periods, as it has done for the last 4 months. In that respect the parliamentary decision in May was unfortunate.

11949

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ECONOMIC

BELGIUM

EYSKENS ON ECONOMIC PROGRESS, TASKS FOR FUTURE

Brussels DE STANDAARD in Dutch 1 Aug 85 p 9

[Article by Luc Coppens and Peter Cuypers: "Interview with Minister of Economic Affairs Eyskens; 'Belgians are Ready for Provisional Freedom'"]

[Text] The Belgians are ready to be given provisional freedom; they have behaved themselves well during the past 4 years. This is the comment made by Minister of Economic Affairs Mark Eyskens in a discussion with the editors that took place on the eve of a brief ('but intense') vacation. The freedom to which Eyskens refers lies in the fields of price and wage formation, even though he hastens to add that in both instances the authorities need to keep the stick ready: they need to establish an indicative standard within which competition can take place. Eyskens views the "liberation" of the Belgians as one of the tasks awaiting the next legislature, together with tackling unemployment ('the biggest problem') and declining consumption.

The balance sheet drawn up for 4 years of recovery under Martens-V usually includes items such as competitiveness, the balance of payments, investment, inflation, jobs, and things of that nature. For me, two other key variables of perhaps less spectacular a nature are nevertheless equally important, Eyskens says: restructuring policy and innovation policy on the one hand, and competition policy on the other.

Enormous efforts have been undertaken in the field of restructuring our industry, states the minister of economic affairs. The textile sector has rebounded for the most part, thanks in part to external factors such as the rise of the dollar's exchange rate. Shipbuilding has slackened off sharply, but it is still on its feet. The solution found for Verlipack in the hollow-glass sector, though it of course took a high toll in social terms, is functioning quite well. In the steel industry, Sidmar, ALZ, and Boel are showing outstanding performance, while improvement is noticeable for the other firms. Cockerill-Sambre will register a positive cash-flow position by the end of 1986, probably just under 2.5 billion.

There still remains the coal industry. It will certainly be necessary to hold talks after the elections about financing the Kempense Steenkoolmijnen [KS] [Kempen Collieries]: that is turning into a very serious problem, Eyskens says. There is always talk about the billions flowing into Wallonia, but people forget that, in the framework of the 3-year contract between KS and Cockerill-Sambre, the Walloon steel company is paying 8 billion annually to KS. Financing of the national sectors has become so complicated that only a dozen people at the most still know precisely what is going on, Eyskens admits.

As far as innovation policy is concerned, the minister is glad to point out the success of the venture companies (75 dossiers), the coordination centers (also 75 dossiers, "the multinationals are coming back"), the free trade zones (18 dossiers), and the reconversion companies. I have no ideological prejudices against state participation, but I do have practical complaints, Eyskens says. Because of the politicizing, it is particularly difficult to map out company management from the office of a ministry or a semi-public enterprise. At present, firms such as Fabelta and Motte are again doing particularly well under private control.

The private sector does perform efficiently, however, provided that there is sufficient competition, Eyskens comments. And at present, the Belgian economy is not sufficiently competitive. Price controls are used by branches of industry in order to create price cartels. The information used for increasing prices is usually based on the average, or even the marginal firm, so that price controls become an instrument for subsidization.

Eyskens has a bill ready for providing greater flexibility in this respect, but it has been pushed to the sidelines by the early elections. In anticipation, meanwhile, the practice of making sectorial requests for price increases has been halted (this must now be done by individual firms), while at the same time the administrative runaround has been simplified as well.

The Labor Market

Free price formation on the market for finished products has thus already been tinkered with. However, Eyskens says, one of the most delicate tasks for the next legislature will be the issue: What is to be done with the market for production inputs, specifically, the market for labor? It is impossible to maintain wage controls ad infinitum.

Collective labor agreements, which are frequently reached on an industry-wide basis, exhibit major economic disadvantages. Wage agreements are usually based on the firm that performs best, so that less profitable companies are permanently caught in a trap, a situation which in fact speaks for handling the problem with the greatest of care, according to Eyskens.

In his view, great care must also be taken in the case of wage increases that would result in an increase in costs. ("Our competitive advantage will go up in smoke, perhaps next year we'll even be left with a loss.")

Still, according to Eyskens, one can imagine a large number of arrangements whereby employees are able to receive a definite wage; the next administration will also have to submit to this issue.

The biggest problem in our country, however, is unemployment, the minister of economic affairs states, even though it is on the decline, especially in Flanders. Here he gladly points to a graph that depicts the sectorial growth in jobs during the 1973-1982 period for the United States, the European Community, and Uelgium. It reveals, above all, that our country experienced a particularly large decrease in industrial jobs (-3.2 percent annually, compared to -1.7 percent for the EC and no change for the United States), but that the importance of the government as an employer increased vigorously (+2.9 percent annually, compared to +1.7 percent for the EC and +1.1 percent for the United States). The graph provides a good overview of the problem in Belgium, Eyskens says; all of the political parties ought to bear it in mind.

The Unskilled

More than half of those persons unemployed in our country hold only a primary education diploma. I do not defend the view that we can live in an economy where everyone has a complete education, Eyskens says; some tasks require only limited qualifications. But even an unskilled employee costs the employer about 50,000 francs every month. In addition to efforts aimed at readjustment, both in education as well as in the firms, efforts must also be undertaken to make unskilled labor less expensive.

According to Eyskens, this must not occur by lowering the wage, but by reducing the wage gap between the gross wage and the net wage. Of necessity, however, such a step would put a hole in the social security fund. "I also believe, Eyskens says, that solving the problem of unemployment among the unskilled is linked with more selective granting of benefits to people who are quite able to earn their daily bread: that will become the real test of solidarity in this country."

The minister of economic affairs considers a reduction in the workweek to be less suitable as a means of siphoning off unemployment. Studies commissioned by him (see page 1) show that the success of this assumes an enormous increase in productivity to a level 10 percent higher than the average recorded for our country during the past several years. Eyskens consequently terms a reduction in the workweek "a rather fruitless proposal."

No one in Belgium realizes, he says, that the average level of productivity in the United States is somewhat higher than in most of the European countries. Belgium probably lies on the American level. It is true that Europe performed a spectacular catch-up maneuver following the Second World War, but people frequently confuse an increase in productivity with the level of productivity. We have no competitive margin vis-a-vis the United States.

There are sectorial exceptions in Japan, such as the auto industry, but the average level of productivity is still 15 percent lower than it is here, says Eyskens. Why then does Japan do so much better? You go crazy searching for explanations, but the Japanese simply work more.

Beneficial

The crisis has been beneficial in encouraging a more balanced understanding of macroeconomics, Eyskens comments. I have never been completely convinced of the death of Keynes; to some extent, of course, he has been murdered, in the sense that his theories have been misused for a quarter of a century. The crisis has taught us that Keynesian stimulation of the economy, when it is no longer competitive (as in Belgium), creates purchasing power that is drained off in the form of higher prices, imports, or the flight of capital.

The supply side must also be set right by means of restructuring and modernizing industry, and by cutting back on fiscal burdens. But reorganizing and strengthening supply is nonsense if demand collapses. Deflation is still harmful in an economic sense. In our country, the decline in consumption is a real problem which likewise will have to be taken up by the next legislature, according to Eyskens.

He therefore refers to himself as the proponent of a dual policy: on the one hand, it is necessary to continue to modernize the supply structure, while on the other hand, demand must be kept steady without raising costs in the production process. This latter aspect assumes a decrease in fiscal pressure, which in turn implies that government expenditures will have to fall. A package will have to be chosen which affects ultimate consumption as little as possible, although that will be an especially difficult job, Eyskens admits.

"We live in a society that is described by some as post-industrial and even post-modern, Eyskens concludes. I believe that we are insufficiently aware of how quickly everything is evolving. Technological evolution will make people more self-reliant. The factory worker is disappearing; we will all more or less end up self-employed in the service sector, with our own computer terminal. This evolution is being intensified even more by the rigidities by means of which wage labor, for example, has been transformed into a fixed cost. The result: one makes use of outside consultants.

The process of becoming self-employed can lead to isolationism, but it can also bring democracy closer to the individual. The representative interlink will then end up on shaky ground. Parties and large organizations will find it difficult; they will be subject to question and will have the choice between adapting or collapsing.

I believe that we are living through a particularly stimulating but painful era, Eyskens says. For me, it is a daily frustration that a number of things remain unresponsive to perception. I suffer under the gravitational force of short-term politics, yes indeed."

INCREASE IN EXPORTS, IMPORTS

Helsinki HELSINGIN SANOMAT in Finnish 2 Aug 85 p 23

[Text] During the period April through June this year's exports showed a growth of eight percent over last year. Imports increased by seven percent when compared with the same time period of last year.

When compared with the previous quarter, that is January through March, exports grew by 12 and imports by 14 percent.

According to the information of the Statistics Bureau for January-June exports were two percent and imports almost six percent greater than last year.

The prices of both exports and imports were, on the average, almost one percent lower than in the preceding quarter.

When compared with last year's second quarter, prices of exports have risen five percent and import prices six percent.

The volume of exports in the second quarter increased most for producers of foods, beverages and tobacco as well as for the metals and machinery industries. For both of these sectors the increase was 21 percent. The exports by chemical industries were smaller than last year.

The exports of paper increased over six percent and of paperboard seven percent. The exports of cellulose, on the other hand, were two percent less than last year.

For the entire paper-cellulose manufacturing industry exports during the second quarter increased by five percent. For the period January-June the level of increase was about the same.

The exports by the wood manufacturers during the second quarter were over eight percent greater than last year. Sawmill product exports grew by almost 12 percent and exports of veneer, plywood and other wood boards increased by almost 10 percent.

13002

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ECONOMIC

FINLAND

MINISTER ON TRADE GAP WITH USSR

Helsinki HELSINGIN SANOMAT in Finnish 2 Aug 85 p 23

[Text] The total value of trade between Finland and the USSR this year will not reach the five billion ruble level that had been set as a goal, predicted Minister of Foreign Trade Jermu Laine in a speech he delivered Thursday at a seminar on trade with the USSR held in Lahti.

Especially the importing of oil has lagged behind expectations due to lower prices and the decline in the value of the U.S. dollar.

According to Laine the value of imports from the USSR this year will be about one billion markkaa less than forecast. He observed that these imports should be increased sharply or else Finland will have to brace itself for a comparable reduction of exports to the USSR in the near future.

The plentiful oil supplies in the West and their non-utilized oil refining capacity will make it more difficult for Neste to export oil in the future, says Laine. He feels that Neste's development internationally will be problematic because of trade policies as well as the position of the petrochemical industry.

Laine expressed the hope that the domestic delivery contracts for natural gas that are factors in the extension of the natural gas pipeline would soon be completed. His belief was that the supply of natural gas in Western Europe will be for a long time to come so plentiful and marketed with fierce competition as to keep natural gas prices low.

Laine also urged haste in the establishment of Kemira company's natural gas based ammonia production plant in Uusikaupunki.

In his opinion the extending of the natural gas pipeline all the way to the west coast is an energy transportation investment of such a degree that additional investment--which within the framework of the total scheme must be considered moderate--should not become an obstructive issue.

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NETHERLANDS

FNV'S PONT ON ROLE, PARTIES, SHORTER WORK HOURS

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[Interview with Hans Pont, new FNV [Netherlands Trade Unions Federation] chairman, by Frenk van der Linden in the column "Confrontation": "Hans Pont, 'I Know All I Need to Know About Demagoguery'"; date and place not given; emphases and elipses as in original; passages enclosed in slantlines printed in italics]

[Text] He is "not exactly in favor of great modesty," but as a result he will shortly be leading the largest union in the Netherlands. Who is the new Wim Kok? Hans Pont: "I would rather be an-gry [sic] than foam at the mouth." But cool and distanced he is not. We talk about the staying-power strategy, the Catering Union's complaints, advice or not advice on how to vote, and hairdressers. Confidential: the FNV plan to take out its own insurance for supplementary welfare benefits. And: an FNV participatory company under consideration.

What does he think of the Opel Kadett?

Hans Pont assumes a thrifty expression. "I drive one," he says brusquely. "And I am very happy with it." It is the mandatory FNV car; the incoming chairman had to get rid of his "nice" Citroen GSA. He was not enthusiastic about it. A two-door Opel! Consequently he got a four-door version, which caused some FNV'ers to sigh that the Federation is just like Orwell's Animal Farm: "We are all equal, but some are more equal than others." Pont thinks that is a "witty reaction," one deriving however from "an equality syndrome," and he notes that he paid for the two extra doors "out of my own pocket." "My opinion," he adds, "is that every car, whether it belongs to the union or not, should have four doors as standard equipment. Then at least you do not need to jam people in the back."

[Question] I had thought to myself: maybe I will get him mad with that question. For you never seem to get mad.

[Answer] "It is only very seldom that anger wells up in me, and what happens to me then is that it is something that overcomes me, masters me. That can get out of hand. And no longer to have control of myself emotionally, I do not like that. That does not help anybody. Consequently, I would rather be an-gry [sic] than foam at the mouth. That from time to time I still blow up I do not think is a disaster: I do it when it is called for, and it makes a real impression."

Molehills Out of Mountains

Hans Pont: reasonableness incarnate ("that characterization does not seem wrong to me"). During the government employee agitation at the end of '83, the biggest and fiercest union resistance movement since the war, the vice-chairman of AbvaKabo [General Government Employees Union-Catholic Union of Government Personnel] not only revealed himself to be a skilled coordinator, but he also succeeded in turning back into molehills the mountains that Van der Scheur had built with his emotional approach. Pont's understatement: "We had a division of labor there that worked very naturally." In a quasi-modest sounding tone: "In debates I gave my views on a certain level, and I found that practically everybody liked that. As the representative of the public that was affected and angered by our campaign, Jaap van Meekren attacked me very sharply. On that occasion it turned out that we had justice and the law on our side. Every question could be answered, at least by me."

In this way he won the reputation of being a pragmatic and compromise-minded man. "OK, but cool and distanced, I am not. A cool person is not a happy person, and I am very much a happy person. My supposed distance...if you think that I do not have enough ability to empathize, you are wrong. I have a helicopter view, hover above things, and that is an advantage rather than a lack. I think it very wrong to turn a partial problem into an absolute and then to think that if you solve that, it will save the world."

[Question] You sound a bit like a missionary with the talk about staying away from emotions and with that attitude of reasonableness-itself. You correct your troops and your children when they are emotional.

[Answer] "I think emotions are important, but in the end they distort your whole thinking. Consequently I do not let them control me. That I demand the same of others--I have thought about that, and now I say: Hans, that is not good, people get the feeling that you are playing down their problems. At the moment I am reminding myself that the first thing I have to do is to show concern, reducing things to their proper proportions comes afterwards."

[Question] When you made your first appearance as boss-to-be in front of FNV members protesting against reductions in welfare payments, you began with the observation that changes in the social welfare system were very necessary. So you would not make such a blunder now?

[Answer] "Such circumstances demand another approach. I have learned that. But if all went well, then the people that made it almost impossible for me to speak also learned something: the way this cabinet is reforming the system is wrong--the level of provisions is getting irresponsibly low--but in itself a reform is necessary. I tried to make the members forget the idea that everything can stay the way it was until the year 2000. It just was not smart to start with that."

"My strength is that you do not catch on that I really am a demagogue. I know all I need to know about demagoguery, you know. But: you must only use it when it fulfills a healthy function."

[Question] It is healthy demagoguery to do what Kok certainly did, to throw phrases like "We are not taking that, not now and not ever" out to the crowd, when you know that life is simply going to go on the way Lubbers wants it to?

[Answer] "You are correct in thinking that I am wrestling with that question. Yes, that is how I am. That is so. You cannot suggest that actions will be successful when you realize that it is not true. I want to be credible to myself and to everybody else. And to stay that way."

Staying-Power Strategy

"I do not need nine-day's wonders," Pont stipulates. "And agitation is very often a nine days' wonder: here today, gone tomorrow. I see it as my task to arrive at staying-power strategy. Like this: we are not quick to start something, but when we do, we can keep it up for months. That will work if you keep giving different groups of people in the various regions the chance to take action using their own ideas, while the agitation leadership in central headquarters is constantly on the alert and keeps everything in tune. Inter-action is the recipe for government employees agitation. A great recipe." And to a large extent his recipe.

Until the moment when Pont appeared in front of the footlights, he was a pretty much unknown figure in union circles who, far from making a lightning career for himself, had climbed steadily in the AbvaKabo hierarchy. After that moment though, he made it in the blink of an eye. The succession of Wim Kok was managed in a way that PvdA [Labor Party] could still learn from: no interminable discussions, no all-too-ample intrigue. Kok sounded out the FNV unions but had his own list of preferences, on which the name Pont must have figured. "For years before that Wim had thought I should move over to FNV," says the new boss. "But, I wanted to take care of some odd jobs for the government employees first. Eh, and then during the struggle in '83 voices went up that Pont was the man for the job."

A wish that was honored by the Federation Council (the club of chairman from all FNV unions). One of the few that disagreed was Greetje Lubbi (the Catering Union). Pont finds it "a bit strange and childish" that a month ago ("right as I was coming on board") this organization gave vent "so demonstratively" to its objections: the members cannot identify with Pont; he lacks fire and is not driven; does not fight to the last for the lowest paid; does not work hard enough to restore the dismantled social welfare system.

Pont, annoyed: "They think that I move to accommodate the demands of our adversaries in advance. That is, that I think in terms of what is possible. Wrong. I think in terms of what is accomplishable. That is something else. I am for things that can really be carried out. I never pass over that line. Never. Further, I absolutely do not work to have every FNV member identify with me. Given that we include both civil servants from the ministries and port workers, that is impossible. I work for this: trustworthiness. Trustworthiness. I hope they can identify me by my trustworthiness. Because trustworthy, that is me."

[Question] That you do not really fight for the restoration of the social welfare system, there does seem to be something in that.

[Answer] "I am for improving it step by step. That means that you do not move to restore it as soon as an opportunity arises. From an economic point of view, that is not possible, and I therefore believe that I simply have to say that."

[Question] In short: the Catering Union should not engage in the politics of illusion?

[Answer] "Yes, and I do not understand that attitude. They have signed on with the FNV program, and it literally says there that we want to improve the level of provision step by step. They ought to have raised their hand when we were agreeing on that. Now it is down in black and white, and they helped put it there."

Legendary Friction

The Catering Union preferred industry Union board member Johan Stekelenburg, who now will probably become FNV vice-chairman. In the Industry Union some are noting sourly that "our own leadership" is voting for Pont, a man from the government employees camp--with which they have fought many a battle. (Among workers too the friction between the market and collective sectors is legendary.) But in Pont's eyes it is not so crazy that the Industry Union's bosses will proclaim him the new Wim Kok: "They know that I think that for some time now industry has only received unfair abuse, has been pictured as the great polluter that is destroying our world. It should be said: our prosperity comes to a very large degree from industry."

[Question] Were you ambitious to get the chairmanship?

[Answer] "I was ambitious to get it, and I am not someone that tends just to sit back and wait to see whether they will ever realize that I have the qualifications. I am not exactly in favor of great modesty."

[Question] Take this chance and tell us: are you qualified enough? Do you have the same depth, the same intellect as your predecessor?

[Answer] "It would be too immodest to answer 'yes' to that. And it would be very boring to have to answer 'no.'" Smile of triumph.

[Question] Nice answer, but it still comes down to the fact that you are beating around the bush. It must be possible to be more honest than that.

[Answer] "OK, it was just a little joke anyway. Your question was too, I assume."

[Question] Naturally. But I would still like to have an answer.

[Answer] "Good. Let me say this: Wim Kok had gotten too big for the union movement, and I am not too big for the union movement. I think it will be refreshing to see a man like Wim operating in politics. Not one to wrangle, not one to go along with that habit of scoring points off one another--of which I see too much. He will increase confidence in politics."

[Question] You are taking over from him at an unfortunate moment. The union movement has been keelhauled, the cabinet is not interested in its criticism or in its alternatives. Before you tell us how cleverly FNV has maneuvered despite the unfavorable economic tide: what does it have to blame itself for?

[Answer] "I do not see any mistakes. There are people that say: we have not been combative enough. Others say: we have been given the cold shoulder because we were not willing to join in discussions about unavoidable cuts. The fact is that we regularly put up rock-hard opposition to attacks from the government's side. The fact also is that from time to time we discussed things with the government. But whatever we did, it was always wrong."

[Question] You say: the one time we were cooperative, the other time not. It is precisely that zigzagging that looks wrong.

[Answer] "Well, we were not for either position on principle."

[Question] So the switching occurred from opportunistic motives?

[Answer] "If you take away the negative tone, yes. It was the most practical thing to do. Listen, we had the Central Planning Bureau calculate out a complete alternative policy, the results were better than the prognoses based on the present government policy. Do not accuse us of flexibility, accuse the government of inflexibility. Pont "doubts whether Lubbers has any social feelings" and would go so far as to say that "De Graaf, Ruding, De Koning, Pietkerk and Van Aardenne do not have any." He points out that in 1982 the union movement agreed to moderation on pay as a starting point and claims that the economic revival of which Lubbers now boasts is primarily due to that. Labor costs are 10 to 15 percent lower in the Netherlands than in comparable countries. Pont just wants to make that clear.

[Question] Then you presented that success on a silver platter to a government that you would not like and without getting anything back in return yourself.

[Answer] "The economic recovery benefits everyone. Us, too. But you might add: despite the government. That's for sure. I have benefitted somewhat from it. The foundation accord--that is what we are talking about--was an accord between employers and workers, the government stayed out of it. /From now on the government will have to be involved in such important agreements./ This is a joint responsibility. In such consultations, the government has not only arguments to make but also money to spend. And that is a fine lubricant, you know. Too, it has to be clear that everybody is adhering faithfully to the agreement. The union movement has done so in the past, the employers have not. What we gave away in 1982 they have mainly put into higher profits and much too little into shorter working hours. In doing so they acted contrary to the accord. If the government had been involved, it could have corrected business by threatening to withdraw the tax relief."

A stop has been put to the increase in unemployment (in part by tricks with the definitions used); investments are rising. Those are some facts that the prime minister pointed out with pleasure to the HAAGSE POST: "Our policy has worked." Lubbers, I tell Pont, does not say that his success is due to the accommodating attitude of the unions. He is making hay, and all Pont can do is look on. "The interviewer of course should never have let that go unchallenged," he says. "And could we not have been even better off if a different policy had been followed?" Nuanced as he is, he immediately adds: "Actually I do not much want to criticize favorable developments. And I would not praise my critics on my own initiative either. Lubbers is naturally thinking of the elections. I cannot demand that he tell the whole truth, you and your fellow journalists have to force him to do so." Self-confidently: "I assume that in a later interview, after he has read this one with me, the prime minister will say: Ouch, that's true, and Pont was right to rub it in."

Unwise of Den Uyl

[Question] You will rub your hands with pleasure if Lubbers is replaced by Den Uyl. But PvdA is making desperate attempts to lose the threatened electoral victory by internal disunity.

[Answer] "A party is never better off for discussions about who will head the list. Den Uyl is still not willing to say whether he will head it or not, and what is now happening is in fact due to his not revealing his definitive decision. I find that unwise of him."

Pont will not go into the question of whether he also thinks it clever of PvdA to price itself out of a new government in advance with a position on the cruise missiles that is set in concrete ("I am not involved in forming a government after all"). Criticism would be embarrassing: after all FNV too has turned against the new weapons. "We are hardly in a position to be annoyed at PvdA," he realizes.

[Question] I can imagine that you would rather not do so in public. Nonetheless within your organization you have gotten worked up over PvdA's "extremely clumsy" position, which stands in the way of accomplishing a number of projects attractive to FNV.

[Answer] His face contracts momentarily. "Eh...pfff...I was thinking of the past when I said that. Van Aht once proposed making the cruise missile question subject to a free vote: simply to let Parliament decide on it when the time has come. A good, democratic suggestion. Very regrettable that PvdA wanted nothing to do with it."

Van der Scheur

At the start of November the Second Chamber of Parliament will decide the nuclear weapon question. Has Pont fundamentally changed his mind in the meantime, does he now think such a democratic decision-making process insufficient? "No," he says, "I hold very strongly to it."

After a break in "the best Chinese restaurant in Amsterdam" ("The union chairmen used to go right on with their meetings--dinner time or not--but I have convinced them that it is better to come over here than to make a mess with sandwiches"), we come to Jaap. Jaap van der Scheur, the unions' unguided missile.

[Question] FNV will pump 3 million guilders into a campaign that is to peak around election time. "Certainly no voting advice," you claimed. You had hardly said that when....

He knows what is coming, leans back, and attempts to hold back his laughter.

[Question] ...when Van der Scheur, whose AbvaKabo wants to spend a couple of million on a supplementary campaign, announced that government employees that vote for CDA [Christian Democratic Appeal] or VVD [People's Party for Freedom and Democracy] are committing a mortal sin.

[Answer] "I responded to that immediately. It has already been in the papers."

[Question] FNV'ers told me: "Pont reconciled what looked irreconcilable."

[Answer] "It did not turn out well, ha ha ha."

[Question] But on this point too you vented your spleen within the organization.

[Answer] Pont pretends to be speaking seriously to Van der Scheur again: "Saying that you are not giving voting advice and then doing so on the sly, we cannot do that under any circumstances. In this we have to follow a single line and be honest about it. We can indeed be involved in politics, but in a businesslike, sober, independent way." Pretending to turn to me once again: "We will compare the political parties' programs with one another but in doing so we will add one comment on the side: People, it is possible that because of ethical questions or because of tradition you will vote against your own social-economic interest, and we will respect that fully. AbvaKabo too sees it the same way. With the way Jaap set the words to music, that did not...ah, come out clearly. I too had the impression that he was giving negative voting advice. A terrible pity."

"Good-naturedly, you know."

[Question] In October you told HET VRIJE VOLK; "When you see that a cabinet systematically discriminates against certain groups of people, then you have to see to it that the present government coalition loses its majority. This means changing the minds of CDA voters." Now is that different from what Van der Scheur said?

[Answer] "Is that a direct quotation? It is? Oh. Oh. Naturally that last sentence should have included the explanation that I just mentioned."

[Question] All in all I get the impression that that explanation has been tacked on to confuse the fact that this really is voting advice.

[Answer] Absolutely not. Pont claims. But shortly afterwards he says: "I understand very well why Jaap spoke up publicly in that way. Government personnel have taken unbelievable blows. And I know that Jaap has a terrible dislike of camouflage and things like that. I have always found it an extraordinary pleasure to work with such a man."

[Question] He noted not long ago in an interview: "There has been some speculation: if Hans Pont becomes FNV chairman, he will have AbvaKabo on his side. Not on your life, gone is gone. Bye-bye, Pont."

[Answer] A laughter or cheer? He also laughs. "Good-naturally, you know. Jaap means by that that the FNV chairman cannot show a preference for certain unions, and that a union cannot show a preference for a chairman that happens to come from its own balliwick."

[Question] Is there not something else hidden behind that statement? During your last months at AbvaKabo Van der Scheur made a fool of you in meetings, including meetings with people from outside: "Pont, you are going to be FNV chairman, just pour the coffee." Or: "Pont, that is a Dutch Class Federation pin on your lapel, is it not?"

[Answer] "I did not think that was nice," he says coolly. "Anyway, it was a pin from the international organization for post, telegraph, and telephone personnel. It did not really bother me. I judge people as a whole, and I know how Van der Scheur is put together: parts of him can be unfortunate, but taken as a whole, he is first-rate colleague."

Moving To 36 Hours

We are talking about FNV's efforts in this spring's CAO [Collective Labor Agreement] negotiations to force a 36-hour work week, preferably keeping up or even improving present buying power. A lost battle. ("non-achievement of success," Pont corrects me). Many employers promised nothing more than to study the attainability of shorter working hours. "We will soon move to 36 hours even where we have not succeeded so far," Pont predicts. "Even at AKZO [no expansion], even at Phillips." He dismisses my objection that he is simply expressing a pious hope. "People have raised all sorts of practical difficulties, but we feel solutions can be found to them. And it does not make much of a difference if the shorter work week comes half a year later than we had hoped."

[Question] In the meantime should we not delete the goal of full employment from the economics texts? Catering Union Chairwoman Lubbi told me last year that the other FNV unions "look simple-minded" from crying for so long that we have to keep on working for that goal, but: "It is not honest, because it is unreal, will never be attainable again."

[Answer] "She is convinced that technological developments will lead to a demolition of labor."

[Question] Are you not then?

[Answer] "I do not want to make the mistake of making easy assertions in a matter that touches so many people so intimately. We have to keep on working for full employment, for young people in any case."

[Question] But is that attainable? Would you take it upon yourself to say that it is possible in this era?

[Answer] "I cannot take it upon myself to say that. Even a policy that results in strong economic growth, even a policy in which the redistribution of work is a central point will not guarantee that. Even so, I believe that it is too soon to say: let us accept that many people are without a job, just introduce the basic income. At a stage when there are still people that think we can save the situation without shorter working hours, you are not ready for that breakthrough."

Idea Is Not Ripe

The Scientific Council for Government Policy (WRR) recently made a plea for a basic income, in connection with which they would do away with the minimum wage and all existing welfare payments (except the Allowance). Workers and employers organizations reacted negatively. "But in discussions with the gentlemen from WRR, I said that I think the arrangement is a good idea," Pont reveals.

[Question] In front of the media you knocked the idea.

[Answer] "Indeed. And from what I am now saying you must not infer that I am of the opinion that that idea is acceptable at this moment. It is not ripe. /But if you are suggesting that we may have criticized it too rigidly, then I say: yes, we cannot rule out the possibility that the thought was treated unfairly./ If the government keeps the report up for consideration, there will be moments when we will have to take another look at it. But that will be at a time when the current difficulties with the minimum wage are behind us. The WRR note simply came up at an unfortunate time. From various sides people are urging cuts in the minimum wage, and we ab-so-lute-ly want to prevent that."

[Question] The classic argument is that it is high enough to stop firms from hiring people. How do you see it?

[Answer] "Everybody understands perfectly well that you need a minimum price for milk. Otherwise within a very short time the price deteriorates. Why does that argument not hold when we talk about labor? Is pay deterioration acceptable then? Something else: you can indeed say that the unemployed get jobs quicker if you let the minimum wage fall, but in many cases that means that those people receive pay lower than the welfare they were getting. A fine opportunity to clip welfare again, some will say. But can you explain to me just how those receiving welfare are supposed to get by in that case? I think that is so, so...oh, well."

"People Are Egocentric"

[Question] Have you read Das Kapital?

[Answer] "Part of it. That is not where I get my inspiration, be clear on that. Marx is just one of the great philosophers, and all together they have made it clear to me that the way we look at society is dictated by the position that we ourselves occupy in that society. People basically have an egocentric attitude. You must not by definition think it ethically wrong for others to stick up for their own interests. But what I would like to see is for us, understanding all this, to rise a bit above ourselves." In practice that means to Pont for instance that he "must not blindly pursue the interests of the FNV members," that he wants to take "society as a whole" into account.

The book that the union leader is immersed in at present is "Christian Theology after Auschwitz." No, he is not a Christian. He would prefer not to say anything else ("I have to think about my membership"), but finally says: "I was baptized as a Remonstrant, raised outside the church, and am now in essence an atheist." An atheist "greatly enthralled" by theology, to be precise. We are not to look for anything behind that: "I am interested in a great many things."

Following his father, Pont has "strong social-democratic" convictions. "When there were elections, we would work for old Drees. In my Christian school I had to account for that: I have been used to debates from my childhood."

[Question] Your work is a calling then?

[Answer] "Definitely not. A contribution to society, neither better nor worse than most other contributions." He does not think he is paid excessively much nor little for his contribution (around 40,000 guilders net yearly). His ideal society has no room for incomes of hundreds of thousands of guilders. "I cannot imagine that anybody, whoever it might be, is worth ten times as much as somebody else from society's point of view. We have to develop objective criteria to measure jobs, then the time for those exorbitant incomes will be past."

[Question] I would have to fear that that is an idea that will not cause universal rejoicing. Nobody likes to sacrifice. Your own people do not even like to pay up for the unemployed.

[Answer] "I do not want to hear that there is no solidarity any more. Cees Schelling (former Catering Union chairman--F. van der Linden's note) says that, but I think it is wild talk. First of all, the employed pay social premiums. Second, the union movement is prepared to use the extra money that companies have available for pay in order to curtail working hours. The unemployed profit from that. If push comes to shove, we will even consider sacrificing buying power to achieve shorter working hours."

No Strikes for the Neighbor

[Question] I cannot contest that. On the other hand: there is no question of really agitating and striking for one's unemployed neighbor.

[Answer] "We have found that you cannot ask workers in companies to strike for a long period in order to keep the social welfare system up to standard. That is not a possibility, that is where the limit of solidarity lies."

[Question] If things go well--or more accurately: wrong--the government will again take an ax to welfare on 1 January or as soon after that as possible. I have heard that the top union bosses are working on a plan....

[Answer] "I am curious. Tell me."

[Question] ...that amounts to this: FNV will immediately attempt to top up the lowered welfare to present levels, for instance by reaching an arrangement with a large insurer. In the CAO negotiations the employees will have to provide money which the unions will pass on to the insurance company. A variant: starting up a fund.

[Answer] Amazed: "That is right, we are playing with that idea. But it is too soon to talk about it or to publicize it." A source inside FNV explains why: It would make it easier for the government to push through the cuts in welfare. Pont says he expects these measures to be an issue in the elections," and we want first to see the results of those." On second thought he does say a few words about the FNV plan: "We do not have the illusion that we can totally make up for the gigantic burglary that the cabinet intends to perpetrate in the social welfare system."

[Question] My source said that the FNV board hopes above all to combat the loss of members in this way. FNV membership will be extra attractive if you get a sort of unemployment insurance and other supplementary assurances gratis.

[Answer] "We are still wondering whether the arrangement should benefit only members. A thorny question, isn't it? Say you let only FNV members profit by it. Then a unionized worker is more expensive for the employer than a non-unionized one. On the other hand, you often hear members expressing the wish that there were some differentiation. We have not worked it out yet."

[Question] Another undertaking that so far has only been discussed behind closed doors; setting up an FNV participatory company. That organization would be intended to help companies get off the ground by providing investment money. For that purpose, ready money from the union movement would be used. Companies that offer a lot of employment and are democratic in structure would be the main ones to benefit.

[Answer] Pont is not the type that at a moment like this says "no comment": "That information too is correct. We are working on a first memorandum on that subject. In this mixed social system, we think, forms of self-management too should be given a chance. Well, for small companies like that it is difficult to get financing. Given the fact that we are in favor of that method of company management, we have to attempt to make a substantial contribution to furthering it. I still do not know whether and when we will come up with a definite plan.

Listening to the Hairdresser

As for how such proposals go over with "the man in the street"--Pont is a "first-rate judge" of that, by his own account. "I sometimes shout: 'Just talks to Hans, because he knows how people will react.' I like to listen to the hairdresser, right? Hairdressers know what people are grouching about, hairdressers know the things about which people are saying: /That is really something, you know/; hairdressers, that is why I talk with them. Others have a good feel for what FNV members think about things--which is not the criterion for me--but I have an outstanding picture of public opinion."

Apart from that, "the man on the street" is not to get too close. "At a certain point they began to call me /Hans/ Pont in the media and so on. That is not something that I would have thought of myself. For members I can indeed be /Hans/ Pont, but in newspapers and before the public it is different. I think. Yes, /I think that I ought to be simply Mr H. Pont there. Hans/ Pont seems to be standard, so I will just conform to that." Just to avoid misunderstandings: Wim Kok's successor has equally little desire to be addressed by his first name by ministers like Van Aardenne: "There too I say: that suggests a chummy relationship that is totally lacking."

[Question] That is a small difficulty. What is your great difficulty?

[Answer] "My great difficulty is: when I talk about the future of the union movement with FNV'ers, they often look concerned, and when I then ask why, they do not say. /Well, the enormous unemployment problems and that great pressure on the social welfare system/. Instead: /How will the union movement stay united?/ As if rows among ourselves were a greater concern than the great social problems. I find that very bad."

[Question] And what is your great fault?

[Answer] "I really would not know. What I do not see as a fault but is really peculiar--you will not believe this: I can really explode at times. And what happens when I come in contact with people that turn out to have racist ideas. I can make calm jokes along those lines, a bit of playful xenophobia and so on, you know how it is, but when I find that somebody really leans toward racism, then I blow up. It is a mixed feeling. On the one hand, I think it is good that I can get wound up about that, on the other hand...."

[Question] Self-contempt.

[Answer] "Yes, because it does not help anything."

[Question] Do you curse at such moments?

[Answer] "In moderation."

[Question] Because you do everything in moderation.

[Answer] "That is true. If I dislike anything, it is immoderation. I once said that Lubbers, because he has no feeling of shame, should be put in the Brielle pillory for a while. That 'for a while' was conscious. For a while. Not immoderately long. Immoderation...I normally cannot consider it polite behavior. Oh, I am so happy that I am not immoderate in anything."

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ECONOMIC

PORTUGAL

ECONOMIC SITUATION CREATES NEW TERM: 'FOURTH WORLD'

Lisbon DIARIO DE NOTICIAS in Portuguese 13 Aug 85 p 8

[Article by Luisa Manoel de Vilhena: "The Fourth World"]

[Text] When the expression "Third World" appeared, it referred primarily to political alignment. The countries of the Soviet Bloc were at that time called "Eastern Countries." Free Europe, the United States and its allies were contained in the "Western Bloc." The nonaligned countries, theoretically neutral in the field of a political option, made up the group which came to be called the "Third World" at Bandung.

With the passing of years, the countries of the Third World were finally aligned, some with the eastern bloc and others with the western bloc, depending on their ideological preferences, and particularly on the economic and strategic advantages they could derive from it. That is the way the political makeup of the Third World was established but the term went on to be used more frequently in its economic sense, referring to countries with an underdeveloped economy.

But it makes no great sense to speak so frequently of the Third World as a synonym for underdevelopment, unless it is at the same time correct to speak of a "First World" and a "Second World," likewise referring to economic standards.

What should the First World be like to which logically the most developed countries should belong? Should it be the Western World? Could the Soviet Union then be excluded from that First World if the classification is arrived at by wealth in raw materials and technical and scientific advancement? It appears obvious that it could not. The truth is that despite the fact that it is not very liberal to speak of a First and Second World, the distinction has been made in an adequate manner as follows:

The countries rich in raw materials and with an advanced technology belong to the First World.

The countries with an advanced technology but which have few raw materials belong to the Second World.

The countries rich in raw materials but which do not have the technical capacity for exploiting them on their own account belong to the Third World.

It makes sense. It thus becomes easy to include many countries in these groups. The United States and the Soviet Union, France and England, in addition to many others, belong obviously, to the First World. Japan, several small Oriental countries--the NICS, that is, the New Industrialized Countries--Switzerland, Sweden and others belong to the Second World. Saudi Arabia, Kuwait, India, Venezuela, Libya, Angola and many others belong to the Third World. That is right.

But where shall countries structurally poor, with little natural wealth and little technological development be placed?

It seems that classification will only be complete with the addition of one more group:

The countries where there is a scarcity of raw materials and technology is not advanced belong to the Fourth World.

Portugal, in the gloomy period it is undergoing, belongs to the Fourth World.

In 1973 we were a "developing" country. A positive economic change was taking place in the country at a growing rate. In an article published in the FINANCIAL TIMES at that time, it was said that Portugal could reach an economic status similar to that of the small advanced countries of Europe within a reasonably near future. The standard of living of the Portuguese population was rising, not as quickly as was desirable but regularly and without having to make reference to the "onerous inheritance." The purchasing power of the average Portuguese in 1973 was greater than it is today. The large industrial companies, because of their drive and profitability, aroused envy (and were a culture medium for future and agitated social demands) but in terms of management did not cause great problems. Small industry had the conditions for existing and growing. Services operated at moderate prices and were profitable. Agriculture, always sacrificed and very unimaginative, was progressing at a slower rate. Our money was strong. Our gold and foreign currency reserves were proportionately among the largest in the world. We owed nothing to anyone.

That is how it was until the dynamic of the PREC--in total disregard for the Manifesto of the Revolution presented by Spínola to all the Portuguese by means of a small "ecran" on the night of 25-26 April--Alienated and destroyed the entire Portuguese economy.

The great flourishing companies, whose "fabulous" profits were criticized so much and railed against, rapidly began operating at a deficit in a mad crescendo, as if the Portuguese economy were hurling itself into a ravine with the musical background of the Wagnerian theme of the Ride of the Valkyries. Almost everything in Portugal began operating at a deficit.

Even the EDP, despite its sure customers enslaved to the majestic power of the company, is losing millions. Even the Highway Department, in a disastrous nationalization, managed to merge the various private Portuguese companies. Even some banks are shaken.

It is total failure.

We live from loans which we spend on consumption and we do not have the ability to repay. We are controlled and reprimanded by the IMF. Proportionately we have one of the largest debts in the world, which is the reverse of what we had barely 10 years ago when we had proportionately one of the largest reserves in the world.*

Today we are a country of the Fourth World. Only one hope, an unlikely hope, is in reaching--in the space of one generation?--the threshold of the Second World, the group of countries which imports raw materials and exports knowhow and finished products.

We are thoughtlessly entering the Common Market unprepared and alien to the European and our own reality. Membership has been signed and the Portuguese continue to be ignorant of how it is going to be in practical terms or how to proceed to protect themselves so as to be able to compete.

If a profound almost sudden change does not take place in Portugal, whose main ingredient will have to be psychological, a change in thinking, our entry into the EEC will be the establishment of our status as a country of the Fourth World, and as a colonized country.

The challenge of which so much is said, and which is mentioned so lightly with respect to our entry in to the EEC, is a challenge of survival. On it depends whether or not we will be an independent country within the Common Market and on the Iberian Peninsula.

If as a country and individually the Portuguese, each within his environment and his capabilities, do not awaken to this truth, then it will matter little who wins in the legislative and presidential elections: the contagious conviction of Cavaco Silva, the strict and cold pragmatism of Freitas do Amaral, the utopian and dangerous facility of Pintasilgo, the "unbearable frivolity" of Soares or the great shameless intelligence of Almeida Santos.

If the Portuguese do not awaken by themselves, all these forms of future will mean different forms of defeat.

Minor defeats after all if compared to other more radical defeats which could also happen to us.

* Gold was "freed" but the debt continues

ECONOMIC

SWEDEN

PALME GOVERNMENT STILL FACING INFLATION PROBLEM

Stockholm SVENSKA DAGBLADET in Swedish 2 Aug 85 p 2

[Editorial: "Printing Presses Continue to Roll"]

[Text] Former fund designer Per-Olof Edin, who has now returned to the LO (Federation of Trade Unions) headquarters where he will become chief economist, is optimistic. He is not discouraged by the figures from the central bank that indicate a 12.5 billion kronor deficit in the balance of payments through May. A 16 billion kronor excess in the trade balance during the second half of the year is feasible, he said.

Edin and other defenders of the government's policies are holding so tenaciously to the idea that all is well because the only positive message of the Social Democrats in this year's election campaign is that Sweden is on the right track.

Perhaps Olof Palme has convinced himself and is attempting to convince others that, in the entire world, only he and his party have discovered how to solve the problems of inflation and unemployment simultaneously. This policy, which he himself has called unique, is described as the Third Way.

Of course, this policy is not unique. It consists of a major devaluation. As we all know, this leads to a short-term improvement in the balance of payments. Demand from abroad replaces a slumping demand on the domestic market.

What is unique is that the prime minister believes that this can also reduce inflation. Inflation is not going down, however, despite coffee hours at Rosenbad and despite the fact that the prime minister personally mediated between the Government Employment Office and striking government workers last spring.

Inflation was not 4 percent in 1984, which was the goal, but over 8 percent. Inflation will not be 3 percent this year. According to the latest measurement, the annual inflation rate is still over 8 percent.

The Third Way has failed or, more accurately stated, it never existed.

More and more economists maintain that there is a link between inflation and

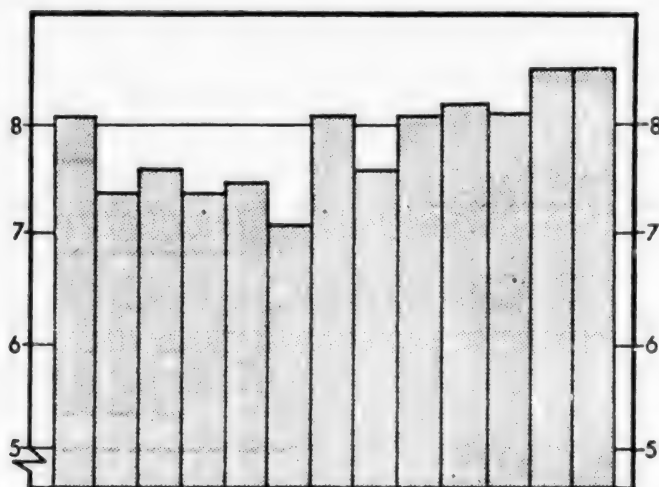
the money supply. Inflation is believed to follow the trend in the money supply with a lag of about 2 years. According to the latest figures from the central bank, for the month of June, the money supply M 3 increased by 2.7 percent over the past 12 months. If, however, we include the public possession of bills of exchange, bonds, and savings, the increase is 11.8 percent.

In its new pamphlet, *The Credit and Currency Market*, the central bank discusses the real significance of the money indicator M 3, although the pamphlet is not as blunt as it could be. This indicator cannot be used as a measure of liquidity in general and, the central bank points out, as long as the budget deficits continue it will be impossible to prevent financial resources from accumulating in other parts of the economy than the banks.

The monetarists believe that, sooner or later, this liquidity will lead to inflation, although it may be delayed somewhat if this liquidity is used to purchase imported goods. Others claim that inflation is due to Hans Hellers, Stig Malm, and Olof Ljunggren, or even to oil prices.

The question that the politicians will have to answer during their next term is: "Can the parties involved in the labor market stop inflation by reaching responsible contract agreements, according to the conventional wisdom, as long as the politicians continue to let the printing presses roll at the mint?"

Inflation rate from June 1982 to June 1984



Annual inflation rate each month from 1 July 1983 to 30 June 1985.

Source: State Price and Cartel Board.

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ECONOMIC

SWEDEN

MINISTER PETERSON DISCUSSES GOVERNMENT INDUSTRIAL POLICIES

Stockholm SVENSKA DAGBLADET in Swedish 28 Jul 85 p 9

[Article by Sophie Petzell]

[Text] "However banal it may sound, it was the nonsocialist government that opposed the market economy, while we are conducting an industrial policy based on the market economy," Industry Minister Thage G. Peterson said in his annual summer interview with SVENSKA DAGBLADET on Gotland.

"We have not socialized the economy like the nonsocialists did. We have not given money to private capital." According to Thage Peterson, Avesta, Salens, and Consafe were not the only companies who got the cold shoulder. Other, less spectacular companies were also turned away at the door.

"In a mixed economy, it is wrong when companies immediately turn to the state or the government and demand money to cover their losses, arguing that they cannot use their capital. After all, capital is there to be used when profits are down. Should the taxpayers take risks for private companies?"

"Of course, the same principle holds for Consafe. The stockholders must go in and take their lumps. The, of course, there are instruments for such situations. There are such things as bankruptcy and composition schemes."

"The Social Democratic government, on the other hand, has taken its lumps for companies in the state sector and has been forced to pay 13 or 14 billion kronor."

"In these cases, the government has taken its responsibility as a proprietor," Thage Peterson said. "But the responsibility of the state does not mean that the government can bail out a private company if its difficulties will have indirect effects on a state-run company. If the state-run company is in jeopardy of falling as a result of the private company's failure, then we will discuss the matter. That is another phase."

In plain language, this must mean that Thage Peterson does not intend to save Consafe in order to rescue Svenska Varv. Svenska Varv's problems will be tackled at a later stage.

Three Ministers

"Roine Carlsson has done a good job with the state-owned companies," Thage Peterson said. At present, just before the elections, he does not want to discuss the need for a special minister for state-owned companies during the next term of office. The system with three ministers at the ministry (an industry minister, an energy minister, and a minister for state-owned companies) has worked well, according to Thage Peterson.

He is also pleased with the industrial policy that has been conducted during the past 3 years.

"I took over an industrial nation that was about to go under. Everything was pointing downward. The nonsocialists predicted increased interference in the affairs of businesses, socialization, and difficulties for small and newly formed companies."

"And what happened? After 3 years I can now report a restoration of profits and the market economy and a reduction in emergency subsidies. I have not stood for a mad scramble toward socialism. The industrial structure is more robust than before. We have had an upswing in investments, production, and employment."

"The most important thing is that I have restored the prestige and good name of industrial policy. It must invest in development, renewal, and growth."

Increase In New Companies

Thage Peterson said that the business climate had improved and the number of new companies increased.

"We have also dealt with regional policies. This is not longer an exclusive property of the Center Party. It is Social Democratic."

Thage Peterson noted with satisfaction that, although there were many reservations to the regional policy proposal last spring, there was not a single joint three-party reservations from the opposition.

"After all," he said, "our industrial policy generally has been carried out in consultation with the opposition, just as we said 3 years ago that it would be."

Thage Peterson also said he had worked together with industry, even though certain business leaders complain over a lack of understanding for business conditions. He also noted that the criticism had increased recently, but he believed that this polarization was related to the upcoming elections.

"And this comes at a time when industry is thriving. We have had unprecedented development in this country."

"I hope that the young generation of business leaders will also demonstrate understanding for the conditions of industrial policy," he said.

"For example, a policy that provides high profits is not a goal in itself. We safeguard industry and growth because they give us a more tolerable existence. We can increase the public sector, expand welfare, and increase justice."

A business policy of this kind can be constructed only if there is mutual understanding among all parties involved. If reelected, the Social Democrats will continue to make proposals that have broad support, according to Thage Peterson.

Now he wants to continue working on several fronts. One of these is an overview of the instruments of industrial policy. The Industry Ministry will make a thorough examination of existing forms of subsidies, which funds are being utilized, etc. This examination could result in simplification of the system and, in the best case, in savings.

The industry minister also wants to continue studying how to combat downturns in the economy. It is during these slumps that the weak companies go under and must be replaced.

"You cannot expect Volvo to build a new plant every time one is needed."

The ministry has shown that areas with a well-developed system of small companies thrive best. During a crisis, they can continue to develop and absorb layed-off workers. Even more than before, industrial policy must be oriented toward supporting small companies.

As a pilot project, the National Industrial Board has been commissioned to study what steps are needed to develop industry on Gotland.

As in other areas of the country, this development should be based on the unique features of the area. Gotland, for example, has natural resources that could lead to increased tourism, an expanded quarrying industry, and similar projects.

Freer Capital Movement

"To a great extent, fishing is another unused resource here," Thage Peterson said as he looked out over the cliff to the sea. The Peterson family hauled in three large cod there several days earlier.

That same day on Snäck several miles to the south, Prof Ingemar Stahl spoke at a seminar where he praised the virtues of allowing companies to have a freer movement of capital. Present tax laws tie up capital within the company.

"Change the tax laws so that capital can be placed in other companies," Prof Stahl said. Make stock ownership more attractive and put an end to double taxes. He also recommended that the laws that now make it possible for small entrepreneurs to let their capital stay within the company and work in it should be changed so that the owner could also take out the money and use it. Let people become rich, he said.

Perhaps Thage Peterson does not think it is a good idea to encourage owners to take money out of their companies, but he stated seriously that the study group that is looking at cross ownership will also study tax questions. The group's report will make no recommendations, but its survey of ownership may lead, in turn, to proposals. Then the question of improved conditions and investing risk capital outside the company may be taken up, through changed tax regulations, for example.

Small Industry

If reelected, Thage Peterson would also like to increase support to small industries in areas of Sweden that will be hardest hit by industrial crisis when the next economic downturn comes. He believes, however, that the generally expected downturn in the economy probably will come later and not be as serious as many believe.

He also promises to streamline the instruments of industrial policy and take some steps as a result of the ownership study.

He has no plans for major or comprehensive proposals. This is not part of his industrial policy strategy.

Thus, Thage Peterson is pleased with the present direction of industrial policy, but he is disappointed in developments in Bergslagen. Both there and in Norrbotten about 1,000 new jobs have been created, but the results in Bergslagen are not at all what he expected.

"Avesta AB, Fagersta AB, Uddeholm, and Sandvik promised to create new jobs in connection with the special steel agreement. These companies were supposed to use Bruksinvest AB to arrange replacement jobs for those that were lost. They have not lived up to this obligation."

"These companies have come close to committing fraud against the towns of Avesta, Fagersta, and Storfors. I will have to reopen negotiations with them this fall."

Thage Peterson chose not to reveal what arguments he would use in negotiations with them at that time.

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ECONOMIC

SWEDEN

FELDT GIVES UP ON TRADE BALANCE CUTTING GOAL

Stockholm SVENSKA DAGBLADET in Swedish 1 Aug 85 p 26

[Article by Johan Selander]

[Text] The Finance Ministry no longer believes that the goal for Sweden's total business dealings with other countries (balance of payments) can be reached this year. The budget proposal indicated a 3.1 billion kronor deficit. Now the central bank has reported a 12.5 billion kronor deficit for the first 5 months of the year.

Undersecretary Bengt K. A. Johansson told SVENSKA DAGBLADET that the ministry no longer believed that the deficit in the balance of payments could be limited to 3 billion kronor.

Even when the first-quarter statistics showed a deficit of 8.7 billion, the Finance Committee made a semiretreat and admitted that the deficit for the entire year of 1985 would be larger than estimated.

But then a package of measures was presented in May by the central bank and the Finance Ministry that was supposed to turn the trend "back in the right direction." But even after this package makes its full impact, the Finance Ministry does not believe the original goal can be achieved.

"Considering what happened even during the first quarter, we do not believe it will be possible to make up the losses," said Bengt K. A. Johansson.

Can Improve

He did not wish to make any new predictions concerning the deficit, however. He pointed to two factors that could improve the statistics for the second half of the year.

"First of all, the June trade figures were favorable and give us some hope. Secondly, we have calculated that if the exchange rate on the dollar drops 1 krona and this change lasts 1 year, our balance of payments could improve by 5 billion kronor. We will feel part of this effect as early as this year," Bengt K. A. Johansson said.

Deficit Months

The new statistics from the central bank show a 2.2 billion kronor deficit in the balance of payments for May. All 5 months showed a deficit. There has been no surplus since November of last year (0.1 billion). The central bank reported a 1 billion kronor surplus for the entire year of 1984, but according to SCB (Central Bureau of Statistics) figures we had a deficit of just over 6 billion kronor. For the first quarter, both the central bank and SCB initially reported a deficit of about 8 billion kronor. SCB recently revised its calculations down to 4 billion, however.

"This illustrates the fact that the statistics are arbitrary in many respects," Handelsbanken economist Goran Petrini told SVENSKA DAGBLADET.

Changing Predictions

Handelsbanken economists are now the most pessimistic of all Swedish economy watchers. They believe that the deficit in the balance of payments will be as high as 15 billion kronor this year.

"Considering the fact that both August and September are usually weak months, we believe there is no reason to adjust our figures to show any improvement during the second half of the year," he said.

The Institute of Economic Research has predicted a deficit of 6.7 billion kronor.

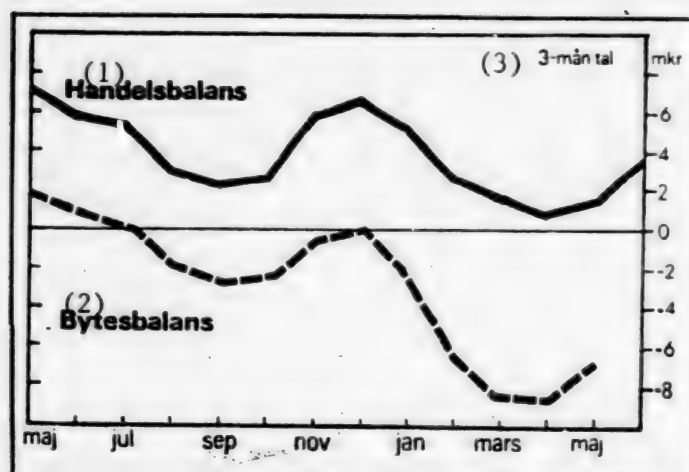
Can Improve

"To be sure, we expect the second half of the year to be better than the first, but we are not sure it will be so much better that our prediction will be accurate," department director Maj Nordin of the Institute of Economic Research said.

LO (Federation of Trade Unions) economists are also sticking to their prediction: a deficit of 8 billion. P. O. Edin told SVENSKA DAGBLADET:

"A deficit of about 10 billion for the year would require a surplus in the trade balance of 16 billion during the second half of the year. This is feasible."

The trade balance during the first 6 months showed a surplus of about 6 billion kronor. Last year the first 6 months yielded a surplus of about 15 billion and the second 6 months a surplus of about 9 billion.



The Bank of Sweden reports the trade balance and the balance of payments in 3-month intervals, meaning that the results of the last 3 months are added and indicated in the graph above. In this way, the central bank hopes to follow the seasonal trends. Since the extremely poor showing in February is not included in the May results, the latter will indicate an improvement in the balance of payments.

Key:

1. Trade balance
2. Balance of payments
3. 3-month figures

Sweden's balance of payments for 1985, billions of kronor.

	Jan	Feb	Mar	Apr	May	Jun
Trade balance	0.1	0.5	0.8	0.3	1.1	3.2
Balance of services (primarily interest payments)	-1.5	-3.3	-2.6	-1.1	-2.8	
Transfer balance (primarily aid to developing coun- tries)	-0.7	-1.5	-0.4	-0.7	-0.5	
Total balance of payments	-2.2	-4.3	-2.2	-1.6	-2.2	

Source: Bank of Sweden. Because the figures are rounded off, the total is not always the same as the sum of its parts.

ECONOMIC

SWEDEN

BANK SIGNS FIRST AGREEMENT WITH USSR INVOLVING ECU EXPORT CREDITS

Stockholm SVENSKA DAGBLADET in Swedish 3 Aug 85 p III

[Article by Johan Selander]

[Text] Svenska Handelsbanken became the first Swedish bank to sign an agreement with the Soviet foreign trade bank on export credits in the European Currency Unit, the ECU.

This contract is directly related to a general agreement signed on 15 May of this year by Svensk Exportkredit. This basic agreement provides for Swedish exports to the Soviet Union totaling 200 million ECU, i.e. 1.3 billion kronor (1 ECU is about 6.5 kronor).

Svenska Handelsbanken sees the agreement as a breakthrough for financing exports to the Soviet Union in currency other than the Swedish krona. In the past, the Soviet Union has always demanded financing in Swedish kronor. As a result, high Swedish interest rates in recent years have reduced the competitive strength of Swedish exporters in the Soviet Union.

The market interest rate for a fixed-interest 5-year loan in Swedish kronor is now about 13 or 14 percent. A similar loan in ECU has an annual interest rate of 9 or 10 percent.

Last year Sweden imported more than 2.5 times as much from the Soviet Union as it exported.

Orders For 600 Million

According to Leon Odnevall, who is in charge of foreign financing at Svenska Handelsbanken, Soviet proposals for export orders to Swedish companies now total 1 to 1.5 billion kronor. Handelsbanken believes it can arrange export orders for 600 million kronor with ECU financing this fall.

Leon Odnevall believes that, in the future, all Swedish exports to the Soviet Union will be financed in ECU. Since the general agreement only involves exports for about 1.3 billion kronor, this framework must be expanded. Exports to the Soviet Union totaled 2.3 billion in 1984.

"But this will be no great problem if we are successful with this agreement," Leon Odnevall said.

ECU stands for European Currency Unit. It is the currency of the EC countries. It is a kind of "currency basket" with the currency of the 10 EC countries. For example, 32.3 percent of it is the German mark, 19.2 percent the French franc, 14.4 percent the British pound, and 10.2 percent the Italian lire.

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ECONOMIC

SWEDEN

BRIEFS

MINISTER STATES EUREKA INTEREST--"Sweden has a positive view of the Eureka initiative and there is strong interest among Swedish companies." This was stated by cabinet minister Ingvar Carlsson, leader of the Swedish delegation that left for Paris on Wednesday for a 2-day discussion of joint European research. The talks include government representatives from 15 countries. The research cooperation applies primarily to high technology and probably will result in various state-corporate research projects. "We are far advanced in this type of research, but Sweden is a small country and we need international contacts," TT (TIDNINGARNAS TELEGRAMBYRA) was told "Future Minister" Ingvar Carlsson. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 18 Jul 85 p 27] 9336

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ECONOMIC

TURKEY

GREEK VIEWS ON NON-IMPOSITION OF SHIPPING EMBARGO

Athens TO VIMA in Greek 11 Aug 85 p 35

/Article by S.N. Athanasiou/

/Excerpt/ A search for the deeper causes that are leading Turkey to impose an embargo on Greek vessels has brought to light the evolution in the strength of the merchant fleets of Turkey, Greece and Cyprus, as well as the new correlation of forces that are developing in this sensitive area of the Mediterranean.

Turkey, which in the past few years has pursued a course to attract foreign maritime investors, has legislated favorable measures to increase the Turkish merchant fleet to 7.4 million tons by 1993.

Of course, the continuing maritime crisis is not helping in the implementation of the Turkish goals but this does not mean that the Turkish leadership has ceased being interested in increasing the Turkish merchant fleet.

The first act of the Ozal government was to open the way for the establishment of foreign banks in Constantinople and it is aspiring to convert this city into the number one maritime center of the Mediterranean thus displacing the port of Piraeus.

Another measure taken by the Turkish Government was to extend the time for the settlement of loans being granted to investors to 8 years rather than the 5 years that was in force up to now. At the same time, it offered a 3-year grace period.

Nevertheless, the measures that provided for greater impetus to attract foreign investments were those modifications of the law on maritime foreign exchange that established new favorable and flexible conditions for the operation of the maritime firms.

Also, as far as dismantling of vessels is concerned, the Turkish Government did not remain indifferent. It recently abolished rules dealing with the introduction of vessels flying a foreign flag into Turkish dismantling plants. Thus, quite a few Greek vessels are being brought there for "scrap" purposes.

Also, within the context of a long-term program, Turkey is trying to improve its maritime infrastructure by building regional ports, a bridge to the Bosphoros, a trade route that would link Europe to the Middle East, as well as international routes to Iraq and Persia so as to strengthen its economy and its maritime infrastructure.

Within the context of this strengthening of the Turkish maritime infrastructure lies the rumored embargo of Greek vessels. Is it, however, so easy to take restrictive measures to the detriment of the Greek merchant fleet?

Of course, it is not because such an act on the part of Turkey would be contrary to a whole series of international agreements and would negatively impact on the economic life of its inhabitants.

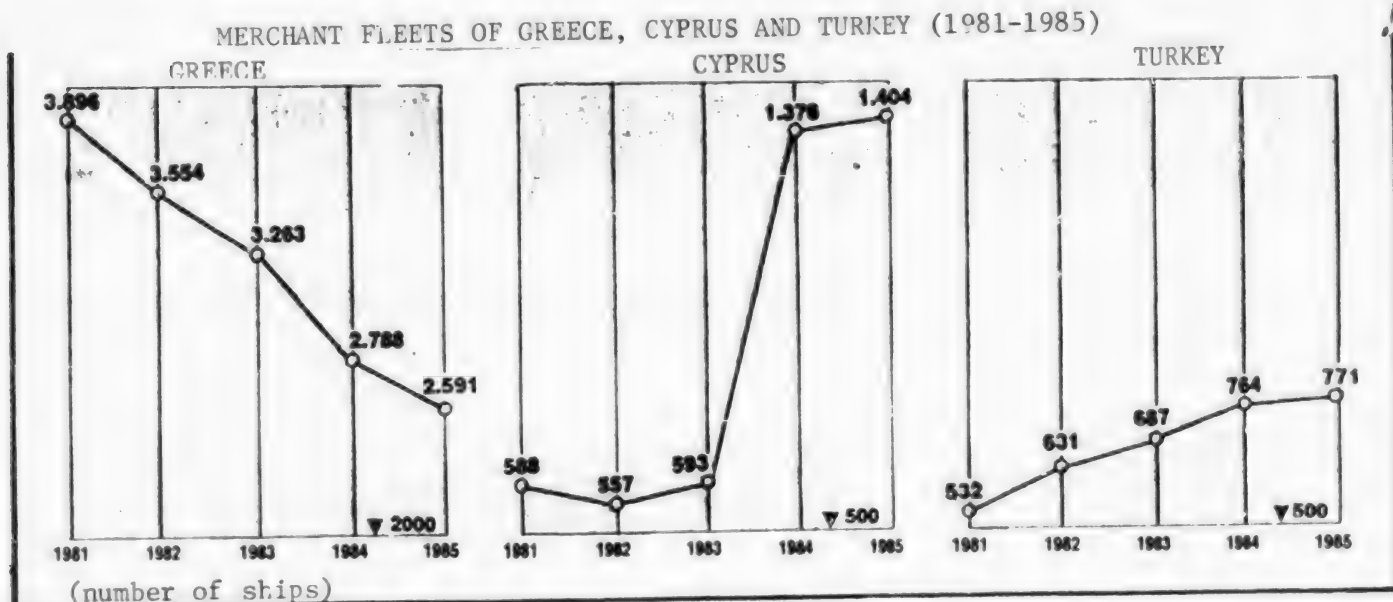
There are three primary reasons that prevent such measures to be taken to the detriment of the Greek merchant marine.

First of all, there exists the 1923 international agreement that provides for the free movement of foreign vessels in foreign ports.

Secondly, both the Turkish fleet as well as the Greek fleet, in case a more general international conflict in which the Big Powers would be involved, would automatically come under the command of the North Atlantic Agreement. Thus, if a decision were in the long run taken for an embargo, additional problems would be created for NATO.

Thirdly, over 100,000 Greek tourists visit Turkey each year. Also, dozens of Greek cruise ships call at Turkish ports with foreign tourists. As is easily seen, in case Greece were to take countermeasures Turkey would lose valuable foreign exchange because the Greeks are in number three position as far as visitors to Turkey are concerned.

Today, Turkey, ranking 26 on the international merchant marine listing, has a fleet of 764 vessels with a total capacity of 3,501,873 tons, of which 244 with a total capacity of 856,492 tons belong to state firms. The increase in The Turkish fleet over the past few years is a given fact. Nevertheless, a parallel jump in the register of Cypriot merchant shipping leaves no great room for a development of the Turkish merchant marine in the future.



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ENERGY

NORWAY

OFFICIAL WARNS OF DIFFICULTIES MEETING ELECTRIC POWER DEMAND

Oslo AFTENPOSTEN in Norwegian 31 Jul 85 p 2

[Op editorial article by Tor Inge Akselsen: "Facts on Norway's Energy Situation"]

[Text] The energy debate has flared up in AFTENPOSTEN's columns recently. Professor Dr Erling Peterson recently took to task our future energy supply in an article in AFTENPOSTEN. Several stated that they do not share Petersen's concerns.

In addition, the Ministry of Petroleum and Energy started a new initiative in this matter when they recently came out with an action to get the energy companies to apply for an expansion permission for new projects. A concern over the future energy balance is given as a reason for this action. The Ministry is of course fully aware that ever since the energy report of 1980 set the course for the energy policy for the eighties, electricity consumption has increased considerably more than expected and by the end of the year will probably be approximately five billion kilowatt hours higher than was planned for the general supply.

If we look at the situation as it appears for the Norwegian electricity supply today, we can state the following:

Danger of Price Increase

A number of power plants have difficulties meeting the fixed energy demand. Neither through their own expansions nor through purchases from the state-owned power plants have they had the chance to secure for themselves the energy amounts which they need in the opinion of their managing agencies. The risk of a lack of energy results in the power plants of necessity taking on extended or new fixed energy contracts. This involves the selection of other and often more expensive solutions. Due to such a situation the registered fixed energy consumption does not fully reflect the demand for electricity.

Rationing - a Reality

For all practical purposes, there is energy rationing in the energy-intensive industry. Neither in the seventies nor in the eighties up to now did this

sector receive the energy quotas which the industry feels it needs. Due to an upswing in the economy in recent years the energy-intensive industry has used more energy than the companies jointly have a contract for.

This means, for instance, that last year they were forced to use some additional energy (approximately two billion kilowatt hours). On an annual basis, the consumption is now up towards 32 billion kilowatt hours, while the industry has a contract for 30 billion kilowatt hours of fixed energy.

Prospects for the coming years are not bright. The coordinated electric power stations in Norway have asked all power companies how much energy they probably expect to add in the coming years. The results of the study compare with the consumption forecasts. Despite the fact that a more limited increase in consumption is expected towards the end of the eighties, among other things due to positive results of the energy increase work, the picture is as follows:

	1985	1986	1987	1988	1989	1990	1991
Combined production capabilities (fixed energy) including import rights	94.4	96.3	98.4	98.8	99.1	100.3	100.6
General consumption (forecast by the combined power stations)	63.7	65.7	67.5	69.2	71.0	72.7	74.2
Consumption in the energy-intensive industry (government's target figures)	31.0	31.4	31.9	32.3	32.8	33.2	33.2
Energy Balance	- .3	- .8	-1.0	-2.7	-4.7	-5.6	-6.8
Possible addition from suggested projects without concession	.0	.0	.2	0.8	1.1	2.4	3.6
Theoretical balance	- .3	- .8	- .8	-1.9	-3.6	-3.2	-3.2

(Source: Combined power stations' annual report 1984).

The table indicates that the fixed energy deficit could increase to six-seven billion kilowatt hours in 1990-91, if energy facilities are not expanded beyond what is approved today. It is interesting, however, that the power companies rate the probable contribution from new projects so low that the result will still be a deficit of more than three billion kilowatt hours in 1991.

Should there be a dry year, we probably could make up the deficit by importing energy from Sweden and Denmark. A study directed by Nordel, the Scandinavian Energy Cooperation, shows, however, that this could possibly be an expensive

experience for the Norwegian energy supply and for Norwegian consumers. Energy purchases costing billions could be involved.

The study is a new indication that it will be difficult to reach the objective which the most recent energy report set up for the energy supply towards the end of the eighties. This study indicates furthermore that the increase in consumption will be somewhat higher than this objective assumes. In that case this must be taken into account when Parliament considers the joint plan for the water system and future expansion plans.

If the increase in consumption is to be limited to what the government's program allows, strong measures will have to be taken in all likelihood. These will inevitably have negative consequences on the economic growth opportunities and the price development.

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